United States Supreme Court

October Term, 1918

In the Matter of the Application of F. A. Wagner (trading as The American Mechanical Toy Company), The Strobel & Wilken Company, a Corporation, and The American Mechanical Toy Company, a Corporation, for a Writ of Mandamus Against the United States Circuit Court of Appeals for the Sixth Circuit and the Judges Thereof, to-wit, the Honorable John W. Warrington, the Honorable Loyal E. Knappen and the Honorable Arthur C. Denison, and the United States District Court for the Southern District of Ohio, Western Division, and the Judge Thereof, Honorable Howard C. Hollister.	Motion for Leave to File Petition for Mandamus.

MOTION

Now come the petitioners, F. A. Wagner (trading as The American Mechanical Toy Company), The Strobel & Wilken Company and The American Mechanical Toy Company, corporations, by their counsel, and respectfully move this Honorable Court, as follows:—

(a) For leave to file the annexed petition for the Writ of Mandamus;

(b) That a rule be entered and issued direct-

ing the respondents named in said petition to show cause why the Writ of Mandamus should not issue against them, and each of them, in accordance with the prayer of said petition, and why said petitioners should not have such other and further relief in the premises as may be just and meet; and

(c) That in the meantime this Court issue an order *instanter* staying all proceedings in the cause named in said petition, to-wit, in Meccano Limited v. F. A. Wagner, trading as aforesaid, The Strobel & Wilken Company and The American Mechanical Toy Company, corporations, pending the determination of this Mandamus Petition.

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H. A. TOULMIN,
Of Counsel for the Petitioners.

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PETITION FOR THE WRIT OF MANDAMUS

To The Honorable The Chief Justice and The Associate Justices of the Supreme Court of the United States.

This is a Petition for the Writ of Mandamus:

(a) To be directed to the United States Cir-

cuit Court of Appeals for the Sixth Circuit and the Judges thereof, to-wit, the Honorable John W. Warrington, the Honorable Loyal E. Knappen and the Honorable Arthur C. Denison, and to the United States District Court for the Southern District of Ohio, Western Division, and the Judge thereof, the Honorable Howard C. Hollister:

(b) To require the said Courts and the said Judges of those Courts to stay all proceedings before them in the cause of Meccano, Limited, against your petitioners, F. A. Wagner, *et al.*, pending the decision of **this Court** in a case in which this Court has lately (on or about October 29, 1918) granted a petition for the Writ of Certiorari, to-wit, the case of Meccano, Limited, v. John Wanamaker, New York, originally brought in the United States District Court for the Southern District of New York, and brought into this Court on the petition of said Meccano, Limited, (plaintiff in said New York action and also plaintiff in said suit against these petitioners, now sought to be stayed, said Wanamaker being a customer of these petitioners, who was sued for dealing as a merchant in the articles your petitioners were sued for manufacturing and selling).

WHEREFORE:—

Your petitioners, F. A. Wagner (trading as The American Mechanical Toy Company), The Strobel & Wilken Company, and The American Mechanical Toy Company, corporations, respectfully show:—

(1) That F. A. Wagner is a citizen of the State of Ohio and a resident of the City of Dayton, County of Montgomery, in the Southern Judicial District of Ohio, Western Division; that

The Strobel & Wilken Company is an Ohio Corporation having a nominal place of business in said State, but with its principal place of business, a wholesale and retail jobbing house, in New York City, and that The American Mechanical Toy Company is an Ohio Corporation having its place of business in said City of Dayton, County of Montgomery, in the Southern Judicial District of the State of Ohio, Western Division.

(2) That a certain British corporation known as Meccano, Limited, heretofore brought a suit in equity in the United States District Court for the Southern District of Ohio, Western Division, against your petitioners, F. A. Wagner and The Strobel & Wilken Company (and in which action a supplemental bill was later permitted to be filed making your other petitioner, The American Mechanical Toy Company, a Corporation, a party*).

(3) That said action was based upon the three charges of:—

(a) Alleged infringement of the patent to one Hornby, No. 1,079,245, of November 18, 1913, for toys;

(b) Alleged unfair competition for manufacturing and selling said toys;

(c) Alleged infringement of Copyrights Nos. 291,375 and 294,670, by publishing and selling certain trade catalogues or manuals illustrating said toys.

(4) That the District Court, His Honor Judge Howard C. Hollister, rendered an opinion and entered a decree holding that the defendants had infringed said patent (except as to one feature, with respect to which he held the patent to

*Note—As to this one of your petitioners the suit has proceeded no further than a *preliminary* injunction, although the property now about to be seized under the decree later referred to herein is the property of this petitioner only.

be void), had committed acts of unfair competition, and had infringed said copyrights. 234 F. 912.

(5) That your petitioners, F. A. Wagne, and The Strobel & Wilken Company (your petitioner The American Mechanical Toy Company, a corporation, not having then been made a party), prosecuted an appeal from said decision and decree of said District Court to the United States Circuit Court of Appeals for the Sixth Circuit, which later rendered an opinion and entered a decree to the effect that:—

(a) Said Hornby patent was null and void in its entirety, reversing the District Court in holding said patent to be valid and to have been infringed;

(b) Affirming the District Court on the finding of unfair competition; and

(c) Affirming the District Court on the Copyright infringement.

(6) That thereafter, on or about the 14th day of December, 1917, your petitioners, the defendants in said cause, petitioned the Court of Appeals for the Sixth Circuit to rehear said cause and give certain directions as to the effect of that branch of its decree which sustained the charge of unfair competition in spite of the fact that said Court had then held said Hornby patent to be null and void *in toto*, thus releasing said toy from the patent monopoly and relegating the toy to the public stock of things; your petitioners citing and specifically calling attention to the decision of this Court in Singer Mfg. Co. v. June, 163 U. S. 169.

(7) That on or about the 14th day of January, 1918, the Court of Appeals for the Sixth Circuit denied said rehearing petition and the request contained therein without in any wise whatsoever making any reference to this Court's deci-

sion in the Singer case*; and thereupon, in due course, said cause was remanded to the District Court for the Southern District of Ohio, Western Division, for the entry of a decree in conformity with the decision and mandate of said Court of Appeals.

(8) That on or about the 11th of February, 1918, the District Court, His Honor Judge Howard C. Hollister presiding, entered a decree, **but not** in conformity with the decree affirmed and directed to be entered by the Court of Appeals; the non-conformity of such District Court decree with the decree affirmed consisting in certain new provisions, to-wit:—

(a) A forthwith judgment against your petitioners, F. A. Wagner and The Strobel & Wilken Company, and in favor of the complainant Meccano, Limited, for the sum of Five Thousand Dollars ($5,000.00), and execution therefor in default of payment, based on the alleged copyright infringement. (See paragraph 7 of said decree, p. 320 record Meccano v. Wanamaker, in this Court on the Certiorari lately granted.)

(b) A forthwith judgment against your said two petitioners, and in favor of **counsel** for Meccano, Limited, in the sum of Three Thousand Dollars ($3,000.00), (with execution in default of

Note—This is a copy of said Order or Memorandum denying said rehearing petition:—

"Ordered, that appellants' 'rehearing petition' for 'instructions regarding the extent of the reversal of the lower Court' is denied; no instructions are necessary, since the opinion approves the conclusions reached below upon the issue joined, except the one in relation to the patent in suit, and the patent in suit describes the two perforated plates as its only features of patentable novelty. Hence no perceivable difficulty can arise from the adjudged invalidity of the patent; in principle the situation here does not differ from the one involved in Samson Cordage Works v. Puritan Cordage Mills, 211 Fed. 603, 605, 608 *et seq.*, C. C. A. 6, where the trademark claimed was held invalid while the charge of unfair competition was sustained; see also Saalfield Pub. Co. v. G. & C. Merriam Co., 238 Fed. 1, 10 C. C. A. 6."

payment), as attorneys' fees in connection with such catalogues or manuals alleged to infringe the copyright as were distributed by the defendants prior to their receipt of actual notice of a claim of infringement. (Paragraph 8 of said decree.)

(c) A requirement that to supersede said two judgments pending the entry of a final decree, these defendants (your said petitioners) would have to give a bond, to be approved by the Court, in the sum of Ten Thousand Dollars ($10,000.00). (Paragraph 8½ of said decree.)

(d) A provision that the Marshal of the Court destroy, within thirty days after obtaining custody thereof, "any and all American Model Builder (defendants' toy) or other toy outfits; any and all separate parts or units such as contained in said outfits; any and all boxes, or containers for such outfits; any and all show cases for the separate parts; any and all books or manuals or instructions or other printed matter—such as adjudged and hereinbefore decreed to be in violation of complainant's registered copyrights, **and to be involved in defendants' unfair competition** with complainant's business and rights," which were then "in the possession of, or within the control of the defendants, and each of them."* (Paragraph 15 of said decree.) Blackface ours.

(8) That as these drastic measures of said decree of the District Court were **outside of and beyond** the decree the Court of Appeals for the Sixth Circuit had affirmed and directed to be entered, these petitioners, on or about February

*Note—As stated *supra*, all of this property was then and now is (to the extent not destroyed by a recent factory fire) owned entirely by your petitioner, The American Mechanical Toy Co., lately impleaded in the suit and as to which no trial has been had—only a preliminary granted.

14, 1918, presented to the Court of Appeals for the Sixth Circuit a petition for the Writ of Mandamus, praying that Honorable Howard C. Hollister, said District Judge, and said District Court, be directed to reform said decree and limit it to conform to the decree affirmed and directed to be entered by said Court of Appeals. Upon application the filing of this Petition was duly allowed and a Stay Order was issued preventing the District Judge, District Court and Marshal from carrying out said District Court decree; and a Cause Order also was issued requiring said District Judge and District Court to show cause why the Writ prayed for should not be granted.

(9) That later, after the said District Judge and District Court had made response to said Cause Order the Mandamus Petition came on for hearing, was argued by counsel for your petitioners and by counsel for said respondents, and on or about the 18th day of October, 1918, an order was made, and a Mandate issued, requiring reformation of said drastic decree of the District Court, by modifying and striking out certain of the provisions complained of in said Mandamus Petition, namely, by eliminating the immediate payment of said sums of money, letting possible payment await the coming in of the Master's report; by cancelling the $10,000.00 bond requirement; and by cancelling the provision for the immediate destruction of said property, letting the possible destruction also await the coming in of the Master's report, but allowing the seizure to proceed at once.

(10) That before the argument of said Mandamus Petition in the Court of Appeals for the Sixth Circuit your petitioners made a motion in said Court of Appeals praying that the Court would continue and postpone further action on said Mandamus Petition pending the action of

this Court (the Supreme Court) on the Certiorari Petition Meccano, Limited, had then lately filed in this Court in its suit against John Wanamaker, New York, (elsewhere referred to herein); but said motion was denied, and the Court of Appeals proceeded to hear and determine said Mandamus Petition without waiting to be advised of what action this Court might take on said Certiorari Petition.

(11) That after the hearing and decision of the Court of Appeals for the Sixth Circuit on said Mandamus Petition, but before the mandate of that Court was issued, this Court granted said Certiorari Petition referred to above, and thereupon your petitioners moved said Court to "stay all proceedings * * and to hold matters in *status quo* pending the decision" of this Court in the case of this plaintiff against John Wanamaker, but this motion was disposed of by an order of the Court of Appeals dated November 14, 1918, saying:—

> "Ordered, further, that the Motion filed in F. A. Wagner *et al.* v. Meccano, Ltd., 'to stay all proceedings herein and to hold matters in *status quo* pending the decision of the Supreme Court' in Meccano, Ltd., v. Wanamaker presents a question which at this stage of the case No. 2,977 must be determined by the Court below."

(12) That pursuant to this last order just referred to, your petitioners by formal motion (presented November 30, 1918) applied to said District Court for the Southern District of Ohio for said Stay Order, moving said Court to "stay all proceedings herein and to hold matters in *status quo* pending the decision of the Supreme Court of the United States in the case of this plaintiff v. John Wanamaker, New York"; but said District

Court also denied said motion, and on December 17, 1918, made this entry:—

> "That said motion be and the same hereby is, overruled. Hollister, U. S. Judge."

WHEREFORE, your petitioners now show that the Circuit Court of Appeals for the Sixth Circuit has permitted, and the District Court for the Southern District of Ohio has now entered upon, the immediate execution and carrying out of said Decree:—

(a) Whereby said seizure of said personal property or effects above enumerated is about to take place (to the extent that a recent fire in the factory has left any of these effects intact and in the custody of the Insurance Companies).

(b) Whereby an expensive accounting concerning alleged profits and damages based on said alleged unfair competition in the manufacture and sale of the said toy formerly embraced in said now void Hornby patent (and on the publication and sale of the trade catalogues and manuals after the alleged date of notice of infringement) is about to be precipitated at great cost and burden to your petitioners—notwithstanding that the crucial question on which all these proceedings are based is now awaiting the action of this Court for authoritative settlement; and

(c) Whereby judgments, based upon such accounting, are to be rendered, so soon as the Master shall have taken the accounting and any resulting exceptions shall have been disposed of, first, in the District Court, and then in the Court of Appeals.

All of this is about to be now done, notwithstanding:—

(a) That the decisive determination of the rule of law which shall govern this case in the Sixth Circuit will be announced by this Court as soon

as it reaches and decides the case of this plaintiff against John Wanamaker, of New York, the customer of your petitioners;

(b) That the business of these petitioners in these toys is now closed, and for the time broken up, by the injunction issued against them by these respondent Courts and Judges, and now in full force and effect, thus eliminating all competition with the plaintiff for the time being;

(c) That these petitioners have given, and filed in the District Court, a bond in the sum fixed by that Court, namely, for $50,000.00, to secure the plaintiff in case of an ultimate judgment in its favor; and

(d) That this plaintiff itself has, on motion in the District Court in New York, obtained a Stay Order in this Wanamaker case to operate pending the decision of this Court to be made when the case is reached under the Certiorari order.

And concerning this Wanamaker case your petitioners further aver:—

(A) That in December, 1916, said Meccano, Limited, instituted this suit against John Wanamaker, New York, in the United States District Court for the Southern District of New York, averring, among other things, that Wanamaker was such customer of your petitioner F. A. Wagner, and that the issues were the same as those involved in this earlier suit against your petitioners; and the decision of the District Court for the Southern District of Ohio in this suit against your petitioners was made the basis on which the District Court in New York was induced to grant a preliminary injunction *pendente lite* against John Wanamaker.

(B) That from the interlocutory order granting such injunction John Wanamaker prosecuted

an appeal to the Circuit Court of Appeals for the Second Circuit. But before the argument on that appeal in the Second Circuit, the Court of Appeals for the Sixth Circuit handed down its opinion, before referred to, in the suit against your petitioners. In that opinion it reversed the District Court, in Ohio, as to the patent infringement, holding said Hornby patent to be null and void *in toto*, and affirmed such District Court as to the unfair competition and copyright branches of the case.

(C) That such was the situation when said John Wanamaker's said appeal came on to be heard in the Court of Appeals for the Second Circuit, and in view of which invalidity of Meccano's Hornby patent, counsel for Wanamaker argued that the decision of this Court in Singer Mfg. Co. v. June, *supra*, was conclusive, a position the Court of Appeals for the Second Circuit substantially took in its decision on said appeal, in which it:—

(a) concurred with the view of the Court of Appeals for the Sixth Circuit in respect to the invalidity of said Hornby patent;

(b) **differed** with the Court of Appeals for the Sixth Circuit with respect to the question of the right of Meccano, Limited, to a claim of exclusive ownership in and to said toy in view of the invalidity of the patent, and of the right of Meccano to predicate an action of unfair competition on such claim of exclusive ownership, where the labels and name of the defendants' product differed from the labels and name used by Meccano, Limited. (See said Opinion of the Court of Appeals for the Second Circuit, in 250 F. 450.)

(D) That Meccano, Limited, not being satisfied with such judgment and decision of the Court of Appeals for the Second Circuit, **wherein**

this conflict of opinion between that Court and the Court of Appeals for the Sixth Circuit thus arose, it petitioned this Court for a Writ of Certiorari to order up for review the record and decision in this John Wanamaker case. This Petition this Court granted on or about the 29th day of October, 1918.

(E) WHEREFORE, and in view of all the foregoing, the said Courts and Judges in the Sixth Circuit **having failed and refused to withhold and stay their further action and judgment** in this case of this plaintiff against your petitioners, notwithstanding that the same plaintiff has brought to this Court the same subject-matter and the same questions of law to be decided here, and notwithstanding that this Court itself has decided that these matters will be reviewed by it, your petitioners respectfully pray that this Court will:—

(a) Permit your petitioners to file this Petition for Mandamus;

(b) Grant a Stay Order requiring said Courts and Judges in the Sixth Circuit to stay further proceedings and the execution of judgments in said case against these petitioners in the Ohio Courts aforesaid;

(c) Issue a Cause Order requiring said Courts and Judges in Ohio, the respondents herein, to show cause why the Writ of Mandamus should not issue as herein prayed;

(d) Thereafter hear and allow this Petition and direct the issuance of the Writ of Mandamus as prayed for;

(e) And finally, that this Court grant such other and further relief as to it shall seem meet and just to these petitioners.

Respectfully submitted,

FRANCIS A. WAGNER and
THE STROBEL & WILKEN CO.,

By H. A. TOULMIN, and
H. A. TOULMIN, Jr.,
Counsel.

THE AMERICAN MECHANICAL TOY CO.,
By E. H. and W. B. TURNER,
Counsel.

H. A. TOULMIN,
Of Counsel.

Note. The record of Meccano, Limited, v. John Wanamaker, which this Court has ordered up by the Writ of Certiorari, contains a copy of the opinions of the Courts in Ohio in your petitioners' said case; contains a copy of the rehearing petition filed in Sixth C. C. A., in which petition Singer v. June is cited; contains a copy of the Order of the Sixth C. C. A. denying your petitioners' rehearing petition; contains a copy of the Decrees in the Ohio suit; contains a copy of the injunction issued in the Ohio case; contains a copy of the "Petition for Rehearing, Motion to Recall Mandate and Re-enter Decree and to Reinstate Supersedeas" filed in the Sixth C. C. A. by defendants; contains a copy of the Opinion of the District Court in Ohio; contains a copy of the Opinion of the Sixth C. C. A.

Supreme Court of the United States

In the Matter of the Application of F. A. Wagner et al., for Writ of Mandamus Against the United States Circuit Court of Appeals for the Sixth Circuit and the Judges Thereof, and the United States District Court for the Southern District of Ohio and the Judge Thereof.

October Term, 1918.
No. 29, Original.

BRIEF OF PETITIONERS

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The C. M. Bennett Printing Co., Springfield, Ohio.

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BRIEF OF PETITIONERS

The Question

The question for decision is whether subordinate courts may continue litigation when questions decisive of that litigation are pending in the Supreme Court in a case involving the same subject matter and same questions of law brought by the same plaintiff?

The Court of Appeals of the Sixth Circuit and the District Court thereof have refused to stay; the District Court in New York on motion of the plaintiff, Meccano, stayed proceedings.

It is through such a procedure as mandamus that the Supreme Court has an opportunity to exercise a proper control over the acts of subordinate courts. Litigation of similar character in

such courts can be thus coordinated to the end that the result may be a harmonious one with a minimum of litigation, expense and labor on the part of the parties and the courts.

We submit the case at bar is one which calls for the application of this power of the Supreme Court to guide its subordinate courts in ways which may be harmonious and economical.

Situation

The questions before the Supreme Court on certiorari in this litigation, when decided, will be decisive of the causes pending below in the subordinate Courts of Appeals. In one Circuit it has been held that toys of the character in question cannot be manufactured and sold by defendant; in another Circuit it has been held that they can be sold. The Second Circuit Court of Appeals has followed the rule of this Court in Singer v. June in arriving at its decision that the toys could be sold; and the respondent Sixth Circuit Court of Appeals (not following the decision and not mentioning it in its opinions, although called to its attention) has denied the right to sell the toys, though holding the patent invalid.

Result of Stay

What would be the relative injury to plaintiff and defendants in the courts below if this mandamus be issued by the Supreme Court and proceedings be consequently stayed?

The Meccano Co., plaintiff, is secured by a $50,000 bond.

The plaintiff is secured by an injunction which has completely stopped for some time past the entire business of the defendants (the petitioners here) in these toys.

The Special Master, appointed by the District

Court in Ohio, has taken into his custody all of the available records which might be used in the course of an accounting and put them under seal. All the rights, therefore, of the plaintiff would be amply protected and a stay of this litigation will cause it no loss. It will simply cause a postponement of its recovery, if any, pending the decision of the Supreme Court on a certiorari **which plaintiff, itself, brought to this court upon its own motion and initiative.** Certainly, it cannot be heard to complain of the results of its voluntary act. Furthermore, Meccano's action in opposing the stay of proceedings in the Ohio case is not consistent with its action in the Wanamaker case. In the latter, after the certiorari petition was served, it moved for and obtained from the District Court in New York a stay of proceedings. We submit that the New York Court acted wisely when it granted the stay, and that the Ohio courts should have done likewise.

Irreparable Injury to Petitioners

As to the injury to the defendants, petitioners, if this litigation is not stayed, it will result in the taking of an accounting with heavy expenses for the services of counsel, the preparation of the record, the investigation of accounts, etc., for which there is no means of reimbursing defendants if all the procedure of accounting proves unnecessary. It will result in the taking of the time of the courts to pass upon the matters of accounting which will be, quite possibly, entirely academic as a result of the decision of the Supreme Court. The result to the defendants in case the decision of the Supreme Court is favorable to them will be irreparable loss for which they cannot be reimbursed.

Petitioners are at a loss to understand why lit-

igation, which may prove entirely useless, should be persisted in when for every reason of economy and for respect for the proceedings in this court such litigation should be stayed.

Agreement on Facts Between Petitioners and Respondents

The respondent courts and the judges thereof find substantially that the statements of fact contained in the several paragraphs of the Petition for Mandamus are true.

Both the respondents, Court of Appeals and District Court, admit that the averments as set forth in Paragraphs 1, 2, 3, 4 and 5 of the Petition for Mandamus are true, save as to a foot-note, which the District Court believes is an immaterial matter.

The respondent, the Court of Appeals, further agrees to the statement of the fact in Paragraphs 6, 7, 8, 9, 10 and 11. As to Paragraph 12, it has no knowledge.

The District Court is not informed as to certain matters in Paragraphs 6 and 7; as to Paragraph 8, and an additional paragraph also numbered 8, the District Court finds the statements substantially true, save as to the question in the foot-note mentioned above, which it believed immaterial. It finds no differently as to Paragraph 9, but elaborates it, and the same is substantially true of Paragraph 10 and Paragraph 11. The District Court finds that Paragraph 12 is substantially correct.

The Response

The respondent, the Court of Appeals, admits, in Section II., it made no reference to the **Singer Case** and states that it had already considered that case in connection with the matters at bar.

Unfortunately, **their opinions do not mention this case** and there was no benefit of their consideration given therefore to the parties in interest. Although the court has had before it the various matters concerning this litigation some five times, four of which are reported, and one as yet unreported, yet in none of these opinions is the **Singer Case** mentioned, although in the case of Wagner v. Meccano, 264 Fed. 603, the main appeal, it was specifically called to the court's attention in the brief and argument on behalf of the appellant. Furthermore, this matter was **with great particularity** brought to the attention of the Court of Appeals in the matter of "Rehearing Petition for Certain Instructions," which instructions the appellant requested in view of the decision of the Court of Appeals holding the patent invalid, but enjoining the manufacture and sale of the goods. (246 F. 610.)

The language of the "Rehearing Petition for Certain Instructions" is as follows:

> "(1) In this Court's opinion it says:
>
> > "'We approve the court's conclusion upon the issues joined, except the one in relation to the patent in suit.' (P. 2 of opinion.)
>
> "(2) Then the opinion of this Court concludes:
>
> > "'It results that the decree in No. 2977 must be reversed so far as it adjudges the patent in suit to be valid **or is otherwise dependent on that ruling.**'
>
> "(3) The statement—'or is otherwise dependent on that ruling' would seem to direct that, to the extent that the action of the lower court in sustaining the charge of unfair competition was dependent on the validity of the patent in suit, such action be reversed.

"(4) This we deem to be the effect of the reversal because the Supreme Court has settled that when a patent has ceased to run the public may make the exact apparatus it covered, as that apparatus was manufactured by the patentee, and also use the trade name by which it had been known, provided only that the subsequent maker so marks the apparatus as to show that it is **his make.** (Singer v. June, 163 U. S. 169.)

"We assume, but are uncertain, that the lower court's decree as to unfair competition is reversed to the extent that it is dependent on the validity of the patent.

"(5) The monopoly of the patent having come to an end by the decree of this Court, these defendants have the right to make the device formerly covered by the patent, under this Singer case. This, and the direction of this Court that the decree below is reversed to the extent that it is dependent on the ruling of the lower court that the patent was valid, would seem to automatically reverse the finding of unfair competition as far as the mechanical structure is concerned.

"(6) But defendants are in doubt, and, therefore, ask this Court to give specific directions under the controlling rule settled in the Singer case. We wish to have the lower court enter its decree in accordance with the Singer case and the direction of this Court in the clause 'or is otherwise dependent on that ruling.'"

The respondent, the Court of Appeals, further states in Section II. that

"Our conclusion as to the existence of unfair competition and copyright infringement we thought sufficiently supported by

facts and circumstances of a character not within the rule of the **Singer Case**."

But the respondents **do not state, even now, why the case at bar before them was not within the rule of the Singer Case**; and why, even if they thought the case at bar were not within the rulings of that case, this Court should not have the opportunity to pass upon that question, when another subordinate Court of Appeals had taken an opposite view to that of themselves; and why, as a result thereof, proceedings should not be stayed in their own circuit pending the decision of the Supreme Court of the United States.

In Section IV. of the response, the respondent Court of Appeals states it did decline to stay the litigation when the opportunity to stay it was first presented to it because the relationship of the **Wanamaker certiorari** was not apparent to it, but the court was again given an opportunity to stay the proceedings by a formal motion made by the appellant as set forth in Paragraph 11 of the petition for writ of mandamus when the connection was unmistakably presented.

In the second paragraph of Section V., the court re-affirmed its statement that it had no jurisdiction to stay the proceedings in the District Court, while in the last paragraph it recites that it would have had jurisdiction to review the action of the District Court in refusing the stay, but it does not refer to the source of authority for such appeal from the District Court. Unfortunately, the action of the District Court was not one from which an appeal could have been taken.

Sections 128 and 129 of the Judicial Code state when and from what decisions appeals may be taken from the decisions of the District Court to the Circuit Court of Appeals. Section 128 provides that appeals can be taken from the **final** decisions of the District Court. It will be observed

this section limits appeals to **final decisions.** The order on the stay motion was not a final decision. Hence no appeal could be taken under this section.

Section 129 provides that appeals can be taken to the Court of Appeals when a District Court, sitting in equity, grants, continues, refuses or dissolves an injunction, or makes an interlocutory order or decree appointing a receiver. None of the provisions of this section covers the order on the motion to stay proceedings. Hence no appeal could have been taken under this section.

Crooker v. Knudsen, 232 F. 857, by the 9th C. C. A., applies these sections. It says:

> "The Circuit Courts of Appeals are given no right to review other than final judgments, except injunction orders, and no judgment is final which does not terminate the litigation between the parties on the merits of the case or on some severable phase thereof, nor until it is entered in a court from which execution can issue. Green v. Van Buskirk, 3 Wall. 448, 18 L. Ed. 245; Bostwick v. Brinkerhoff, 106 U. S. 3, 1 Sup. Ct. 15, 27 L. Ed. 73; St. L., I. M. & S. R. Co. v. Southern Ex. Co., 108 U. S. 24, 2 Sup. Ct. 6, 27 L. Ed. 638; Southern Ry. Co. v. Postal Tel. Co., 179 U. S. 641, 21 Sup. Ct. 249, 45 L. Ed. 355; Heike v. United States, 217 U. S. 423, 30 Sup. Ct. 539, 54 L. Ed. 821. And it is well settled that decisions affecting provisional remedies only, such as orders sustaining or dissolving attachments, are not appealable unless made so by statute. Hamner v. Scott, 60 Fed. 343, 8 C. C. A. 655; Leitensdorfer v. Webb, 20 How. 176, 15 L. Ed. 891; Atlantic Lumber Co. v. Bucki & Son Lumber Co., 92 Fed. 864, 35 C. C. A. 59; Loeber v. Schroeder, 149 U. S. 580, 13 Sup.

Ct. 934, 37 L. Ed. 856; Assets Collecting Co v. Barnes-King Development Co., 209 Fed. 206, 126 C. C. A. 300." (P. 858.)

It is, therefore, well settled that petitioners had no right of appeal from the order of the District Court overruling the motion to stay proceedings.

These petitioners are at a loss to understand why, when the Court of Appeals of the Sixth Circuit had before it the question of directing the lower court in the wording of its decree, it did not also have sufficient jurisdiction for the control of the proceedings and the procedure of the litigation in the lower court as might have been necessary for the orderly and economical satisfaction of justice. Perhaps the real reason is related in Paragraph 3 of this Section V, wherein the respondent Court of Appeals states:

> "We entertained a view of the underlying merits of the court to stay which would very probably have led us to the same result."

In Paragraph (a) of this Section V., the respondent Court of Appeals proceeds to discuss one of the features of merits of the stay order. They state that their decree was final as to matters decided upon appeal and that other matters were interlocutory. However, the following cases show that their decree was not final:

> California Bank v. Stateler, 171 U. S. 447.
> *Ex parte* National, 201 U. S. 156.

In the California Bank case, this Court said:

> "The settled rule is that if a superior court makes a decree fixing the liability and rights of the parties, and refers the case to a master or subordinate court for a judicial purpose, such, for instance, as a statement of account upon which a further decree is to be entered, the decree is not final. Craighead v. Wilson,

18 How. 199; Beebe v. Russell, 19 How. 283; Keystone Manganese & Iron Co. v. Martin, 132 U. S. 91; Lodge v. Jewell, 135 U. S. 232; McGourkey v. Toledo & Ohio Central Railway Co., 146 U. S. 536; Union Mutual Life Insurance Co. v. Kirchoff, 160 U. S. 374; Hollander v. Fechheimer, 162 U. S. 326."

In *Ex parte* National, 201 U. S. 156, while the accounting was pending, this Court said:

> "The decree entered by the Circuit Court was interlocutory and not final." Numerous cases were cited.

In the conclusion of this Paragraph (a) we find that the respondent court states:

> "We therefore concluded that there should not be such a stay unless special and reasonably clear cause therefor appeared."

The petitioners know of no "special and reasonably clear cause" quite so special and clearly reasonable for a stay of procedure as the fact that the Supreme Court of the United States had before it questions, which, if decided for the defendant, would have made further procedure in the litigation in the court below useless and a waste of time and money, as well as a dissipation of the valuable energies of the courts. It was such a situation that was presented to the respondent Court of Appeals and which they in their wisdom did not believe would be sufficiently special and reasonably clear as a cause of stay. These petitioners are asking this court to do this for them in order that the procedure of litigation may be an orderly one with due economy of the subordinate courts' time and due economy of the resources of litigants together with a minimum of litigation.

As to Paragraph (b) of Section V., the re-

spondent Court of Appeals says that it inferred that the difference between themselves and the Court of Appeals of the Second Circuit was "only remotely involved," despite the fact that there was a clear difference of opinion between the two Courts of Appeals, the one holding that the toys in question could be sold and dealt in, while the other held that they could not. In addition to this, the Supreme Court of the United States had ordered up the Wanamaker case by certiorari and that, we submit, should have been sufficient to remove the inference of remoteness.

Again in Paragraph (b) of Section V., the respondent Court of Appeals infers that the question ordered up on certiorari involved primarily the principles in Kessler v. Eldred. We are at a loss to understand that inference as to the importance of Kessler v. Eldred when the Court of Appeals in the Sixth Circuit, itself, in Wagner v. Meccano, 239 Fed. 901, 903, stated relative to this case that:

> "The cases, like Kessler v. Eldred, 206 U. S. 285, 27 Sup. Ct. 611, 51 L. Ed. 1065, which fixed the rights of the manufacturer adjudicated not to infringe, **had no application.**"

As to the second inference set up in Paragraph (b) of Section V. by the learned Court of Appeals, we fail to see that it affords any ground for not awaiting the decision of this Court in the Wanamaker case. They assign the mere suggestion that the questions in the Wanamaker case, to be reviewed here, pertained only to a preliminary injunction and involved discretion. This entirely overlooks the fact that this Court has repeatedly, and notably in this very Wanamaker case itself, ordered here for review, questions decided on interlocutory or preliminary injunction proceedings. If a conflict of opinion arises be-

tween Circuit Courts of Appeals, that is sufficient, and it is immaterial whether the conflict arose in connection with final or interlocutory proceedings.

In American Construction Co. v. Jacksonville, 148 U. S. 372, 385, this Court said:

> "But the question at what stage of the proceedings, and under what circumstances, the case should be required, by certiorari or otherwise, to be sent up for review, is left to the discretion of this court, as the exigencies of each case may require."

The following are some of the cases in which this Court has granted writs of certiorari to review interlocutory orders:

Leeds & Catlin v. Victor, 213 U. S. 301; Harriman v. Northern Securities, 197 U. S. 244; Hanover v. Metcalf, 240 U. S. 403; Denver v. New York Trust Co., 229 U. S. 123; Eagle Glass v. Rowe, 245 U. S. 275.

In regard to Paragraph (c), the Court of Appeals suggests as a ground of its refusal to stay that it thought it, or the District Court, could, even after the accounting, conform the ultimate decision to comply with whatever decision this court might, by that time, have made in the Wanamaker case. Unfortunately for the defendants, it would not be within the power of the Court of Appeals of the Sixth Circuit to restore to them the loss in money due to expenditures in the course of this accounting which could not be recovered, the grave loss of time, traveling expenses, counsel fees, and other expenses. Such things the Court of Appeals of the Sixth Circuit has no power to restore to the defendants. These defendants have been enjoined and their business broken up; they have given a $50,000 bond to save the plaintiff harmless. They have turned

over to the Master under seal all the existing papers relative to the accounting for the preservation of them. The plaintiff will not be injured because it is fully protected by these precautions and safeguards, whereas if the litigation continues, as the Court of Appeals of the Sixth Circuit for some reason seems to insist that it should, then damage will occur to the defendants which will be irreparable and entirely unnecessary.

We cannot agree that there is "slight merit" in an application to stay proceedings when a question is before the Supreme Court of the United States for decision, and when the time of courts, expenses to parties of grave character all can be saved and the plaintiff is duly and thoroughly protected by a bond and injunction.

In Section X., the respondent District Court says that it believed the rights of parties were established by Kessler v. Eldred, 206 U. S. 285, but the Court of Appeals stated in Wagner v. Meccano, 239 Fed. 901, that this case did not apply.

Paragraph 2 of Section X. comes to two points. First, it concedes and says that the merits of the case before the Court of Appeals for the Second Circuit involved the "sole question of the effect of the decree of the Circuit Court of Appeals for the Sixth Circuit." We may add that it was because of this fact that the conflict of opinion arose. The second statement is that the Ohio defendant, Wagner, is defending the Wanamaker suit. But as the paragraph concludes with the statement that the record in the New York case was not before the Ohio District Court, it is not clear how this statement as to the position of Wagner can be made. But the fact is that the interrogatories and the answers thereto and the decision of Judge Hough on exceptions to the interrogatories (pp. 281, 286, Wanamaker Record

in this Court) show that the Ohio manufacturer, having guaranteed to hold Mr. Wanamaker harmless, furnished counsel to act in conjunction with Mr. Wanamaker's own counsel in conducting the defense, Mr. Wanamaker reserving the "control of the defense," while the management of it was in the hands of Mr. Wanamaker's own counsel and the general counsel for the Ohio manufacturer. (Wanamaker Record, p. 284.)

But all this as to the Ohio defendant is of no consequence; first, because the Ohio decree is purely interlocutory; and, second, because Wanamaker is entitled to his day in court as his business has been attacked by this suit. Certainly there is nothing in the suggestion in Paragraph 2 of the response affecting the question before this court on this mandamus petition.

With reference to Paragraph 3, Section X., the District Court feels that there is no real conflict between the views of the two Circuit Courts of Appeals, because it believes the merits of the two cases were not the same, but in the certiorari petition to the court, counsel for Meccano, who are also counsel for the respondent District Court, stated that the issues of the two courts were the same. More pertinent still, the same toys have been involved on the issues of unfair competition, patent infringement and copyright infringement; it was held in the Sixth Circuit that these toys could not be sold, and in the Second Circuit it was held that they could. We feel that such a situation does present a "real conflict between the views of the two Circuit Courts of Appeals."

It is to be noted also that Paragraphs 2 and 3 are in conflict in that the former says the effect of the Ohio decree was involved in the Wanamaker case and the latter says the merits were not the same.

As to Paragraph 4, because of the fire in the defendant's factory, the District Court states that it felt that the accounting should go forward in order that the evidence of the accounting might not be destroyed by some further accident, but this reason for proceeding with the accounting, assuming it to be a valid reason, could have been obviated by putting the papers in the Master's custody, which has now been done.

It is further stated that no application for an allowance for an appeal upon the District Court's refusal to stay was taken, but unfortunately there is no provision for such an appeal and, therefore, the petitioners, Wagner *et al.*, could not avail themselves of a procedure which did not exist.

Sections 128 and 129 of the Judicial Code state when and from what decisions appeals may be taken from the decisions of the District Court to the Circuit Court of Appeals. Section 128 provides that appeals can be taken from the **final** decisions of the District Court. It will be observed this section limits appeals to final decisions. The order on the stay motion was not a final decision. Hence no appeal could be taken under this section.

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It is, therefore, well settled that petitioners had no right of appeal from the order of the District Court overruling the motion to stay proceedings.

The District Court says:

> "Respondent does not remember why the date of March 15, 1919, was fixed, and does not know whether defendant Wagner complied with the conditions of the order or could comply therewith."

We beg to advise the Supreme Court that the reason (which the District Court does not remember) why the date of March 15, 1919, was set was that it was assumed that the District Court and the respondent Court of Appeals

would have their responses to the cause order of this court filed in the Supreme Court Clerk's Office on the return day as set by this court, March 3, 1919. This the District Court and the Court of Appeals were not wholly ready to do and hence a stipulation was made extending their time for filing of such response, subject to the approval of this court, to March 10th, and setting the time of hearing, if agreeable to this court, for March 17, 1919. The District Court made it a condition of securing **even this stay to March 15, 1919,** despite the fact that a cause order had been issued to it by the Supreme Court of the United States, that the books of F. A. Wagner should be turned over to the Special Master. The petitioners beg to inform the Supreme Court and the District Court that the defendant, Wagner, has complied with the conditions of the order so far as he could and all papers he has have been turned over to the District Court's own Special Master, residing in Cincinnati.

Suggestions in Reply to Brief Counsel Submitted for Respondents

A few simple replies we deem all sufficient.

(1) They first say that the action of this court in disposing of the Wanamaker case which has been ordered up by a certiorari cannot affect the proceedings in the Ohio suit.

The answer to this is simply that if this court shall affirm the decision of the Court of Appeals for the Second Circuit it will thereby in practical effect disapprove the decision of the Court of Appeals for the Sixth Circuit.

Or, if this court shall reverse the Court of Appeals for the Second Circuit it will thereby imply an affirmance of the decision in the Sixth Circuit.

Moreover, in the Meccano petition for the certiorari it is stated, by the same counsel, that:

> "There is direct conflict of opinion between said majority opinion (Judges Ward and Rogers) herein of the Court of Appeals for the Second Circuit, on the one hand, and the opinions of four judges in the Sixth Circuit (District Court, Judge Hollister, Court of Appeals, Judges Warrington, Knappen and Sanford) on the other hand." (P. 17, said petition.)

Moreover, as said by this court in Hamilton v. Wolf, 240 U. S. 251:

> "On certiorari, this court is called upon to notice and rectify any error that may have occurred in interlocutory proceedings * * *." (4th Syllabus on p. 252.)

(2) Next they say that the petition erroneously charges that the respondent Court of Appeals has refused to stay the Ohio case.

This, we have sufficiently answered in the foregoing pages of this brief, which show that the learned Appellate Court in the Sixth Circuit not only did in effect fail or refuse to stay, but now in its response offers itself to stay the case if this court shall so suggest.

(3) They next say that petitioners had a remedy by appeal from the action of the District Court in refusing to stay this case. They cite several cases on page 20 of their brief.

But in all of those cases, injunctions were asked for against the plaintiffs to prevent them from proceeding in other courts. A refusal to stay proceedings is not an appealable matter from the District Court to the Court of Appeals. This subject we treat somewhat at an earlier place in this brief.

(4) They next suggest that the refusal to stay was a matter of discretion not controllable by mandamus.

But this is an incorrect statement of law. The rule is stated in Encyclopedia of United States Supreme Court Reports, Vol. 8, Page 26, as follows:

> "Mandamus is the proper remedy to oblige subordinate courts and magistrates to perform such acts and duties as they are in justice and by virtue of their office bound to do, but which they refuse. The duty may be either ministerial or discretional, as regards the mere compelling its performance."
>
> "Superior tribunals may by mandamus command an inferior court to perform a legal duty, where there is no other remedy, and the rule applies to judicial as well as ministerial acts, but it does not apply at all to a judicial act to correct an error, as where the act has been erroneously performed."

(5) Next they say and repeat that the Wagner patent related only to the perforated plate. In that statement they differ with Judge Hollister, himself, who held that claims 9 and 10 were for "combinations," meaning the plate in combination with the perforated strips and fastening devices, while the other claims of the patent dealt only with the plate. Judge Hollister said:

> "I find claims 1 to 7, inclusive, so far as they embrace the sector, to be valid. Claim 8, covering only the sector, is valid. Claims 9 and 10, covering new and useful combinations, are held to be valid." (P. 148, Wanamaker certiorari Record.)

(6) They also suggest on page 7 of their brief that the matters in the Ohio suit "have been finally adjudicated"—an obvious error since nothing is final until a decree has matured into finality. All that has happened is that the Court of Appeals of the Sixth Circuit has laid down the law

of the case to be followed by the lower court, but such ruling is subject to review and change by the Court of Appeals, itself.

As said in Messenger v. Anderson, 225 U. S. 437, 444:

> "Of course this court, at least, is free when the case comes here," citing a number of decisions.

Again, the respondent, the Court of Appeals, in its return states that the decree of the Ohio case can be made to conform to this court's action in the Wanamaker case on the questions of unfair competition and copyright. (Paragraph (c), p. 6, of their return.)

(7) And finally, the brief filed by counsel for the respondents deals in all sorts of questions and details, not at all embraced in the responses filed by the respondent courts. If this court were to stop to dispose of these numerous details so presented, it would have to decide the certiorari case now rather than the simple question presented by the mandamus petition to it, that of staying further proceedings in the Ohio case pending the opportunity of this court to dispose of the Wanamaker case, brought here by the plaintiff, in due course.

Respectfully submitted,

FRANCIS A. WAGNER and
THE STROBEL & WILKEN CO.,
By H. A. TOULMIN, and
H. A. TOULMIN, Jr.,
Counsel.

THE AMERICAN
MECHANICAL TOY CO.,
By E. H. and W. B. TURNER,
Counsel.

H. A. TOULMIN,
Of Counsel.

Supreme Court of the United States,

No. 29 ORIGINAL.

OCTOBER TERM, 1918.

EX PARTE, IN THE MATTER

OF

The Application of F. A. Wagner (trading as The American Mechanical Toy Company), The Strobel & Wilkin Company, a Corporation; and The American Mechanical Toy Company, a Corporation; for a Writ of Mandamus against the United States Circuit Court of Appeals for the Sixth Circuit and the Judges Thereof, to wit, the Honorable John W. Warrington, the Honorable Loyal E. Knappen and the Honorable Arthur C. Denison; and the United States District Court for the Southern District of Ohio, Western Division, and the Judge Thereof, Honorable Howard C. Hollister.

BRIEF BY COUNSEL FOR MECCANO LIMITED IN SUPPORT OF RESPONDENTS' RETURN.

REEVE LEWIS,
C. A. L. MASSIE,
RALPH L. SCOTT,
Of Counsel for Meccano Limited and, by request, for the Respondents.

E. H. Tyrrell, Printer, 205-6 Pearce Square, New York.

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Supreme Court of the United States.

No. 29 Original, October Term, 1918.

Ex Parte, In the Matter

of

The Application of F. A. Wagner (trading as The American Mechanical Toy Company), The Strobel & Wilken Company, a Corporation, and The American Mechanical Toy Company, a Corporation, for a Writ of Mandamus against the United States Circuit Court of Appeals for the Sixth Circuit and the Judges thereof, to wit, the Honorable John W. Warrington, the Honorable Loyal E. Knappen and the Honorable Arthur C. Denison, and the United States District Court for the Southern District of Ohio, Western Division, and the Judge thereof, the Honorable Howard C. Hollister.

Brief by Counsel for Meccano Limited, in Support of Respondents' Return.

Meccano Limited is the manufacturer of a pioneer model building toy product, known as "Meccano" (including outfits of toy parts with

accompanying books of instruction), in which it has built up a valuable business.

The petitioners before this court are manufacturers of, and dealers in, an unlawful imitation or counterfeit product (including outfits of toy parts with accompanying books of instruction), exploited under the name "The American Model Builder."

On December 24, 1913, Meccano Limited instituted suit (the "Wagner Ohio Suit") against said petitioners in the Sixth Circuit. After five years of intense and expensive litigation, Meccano Limited has prevailed on charges of unfair competition and copyright-infringement, petitioners' American Model Builder product having been judicially characterized in said litigation as "a fraud on the public * * * also a fraud on the complainant" (234 Fed. 920).

Now on the very eve of an accounting, this Court is asked to stay further proceedings and the execution of judgment in said Wagner Ohio Suit, for the considerable period of time (approximately a year and a half) that must elapse before the Supreme Court can hear and determine questions arising in a junior cause in another circuit, to wit: the case of Meccano Limited *vs.* John Wanamaker, New York, October Term, 1918, No. 614, pending before the Supreme Court on writ of certiorari to the Court of Appeals for the Second Circuit.

Certiorari-proceedings in Wanamaker New York Suit—Scope of Review and Decision by the Supreme Court Cannot Affect the Judgment and Further Proceedings in the Wagner Ohio Suit in Which Petitioners Ask Stay.

It is the erroneous theory of Petitioners that this Court, in rendering its decision in the certiorari-proceedings in said Wanamaker New York Suit, will in effect overrule (in whole or in part) the previous decisions and decrees (favorable to Meccano Limited) in the senior Wagner Ohio Suit; and upon that theory Petitioners ask a stay (of at least a year and a half) of the accounting and other proceedings in this senior Wagner Ohio Suit. The petition in this court asserts, *erroneously*, that:

> "the crucial question on which all of these proceedings are based is now awaiting [in the case of Meccano Limited v. John Wanamaker, New York, No. 614, Oct. Term, 1918] the action of this Court for authoritative settlement" (p. 11).
>
> "That the decisive determination of the rule of law which shall govern this case [Meccano Limited v. F. A. Wagner, *et al.*] in the Sixth Circuit will be announced by this Court as soon as it reaches and decides the case of this plaintiff against John Wanamaker of New York, the customer of your petitioners" (pp. 11-12).

Thus, this whole mandamus-proceeding is predicated upon erroneous theory and speculation as to what decision "will be announced by this Court."

The situation in said Wanamaker New York Suit is briefly this: John Wanamaker, New York, a corporation, was sued by Meccano Limited in the Second Circuit (S. D. of N. Y.) for its dealings in said Wagner "American Model Builder" product, said Wanamaker having persisted in selling that product after the decision and decree in the Wagner Ohio Suit adjudging the same unlawful. Motion for preliminary injunction was granted and an appeal taken and argued before the Court of Appeals, Second Circuit. Thereafter while said appeal was awaiting decision, the Court of Appeals, Sixth Circuit, denied petition for rehearing in the Wagner Ohio Suit. Plaintiff at once moved (under the practice approved by this Court in Hart Co. v. Ry. Supply Co., 37 S. C. R. 506; 244 U. S. 294) before the Court of Appeals, Second Circuit, for a decision on the merits, contending that the judgment in the Wagner Ohio Suit is conclusive in said Wanamaker New York Suit, it appearing from the preliminary injunction appeal record in the latter suit, that the Ohio defendant Wagner, through his same counsel as in the Wagner Ohio Suit, is defending said Wanamaker New York Suit under "assurances to hold the defendant [Wanamaker] harmless by reason of the purchase and sale of toys manufactured by" him, Wagner (The American Mechanical Toy Company).

The Court of Appeals, Second Circuit, denied (250 Fed. 250) Meccano Limited's said motion for decision on the merits, and thereafter (250 Fed. 450) reversed (with a dissenting opinion by Judge Learned Hand, 250 Fed. 453), said preliminary injunction order. Plaintiff, Meccano Limited, petitioned for writ of certiorari,—asking the Supreme Court to enforce in said Wanamaker New

York Suit, defended by Wagner, the judgment in the Wagner Ohio Suit, both suits admittedly involving identically the same product, etc., and this Court granted and issued the writ.

The precise "questions presented" to the Supreme Court in said certiorari-proceedings in the Wanamaker New York Case are set forth on page 4 of the petition for certiorari therein. Again at the bottom of page 18 and top of page 19 of said petition this Court is asked—

> "(1) To determine the legal effect to be given, in this [Wanamaker] cause in the Second Circuit against a customer, to the prior judgment in the suit in the Sixth Circuit against the manufacturer.
>
> (2) To determine whether preliminary injunction can be denied petitioner in this [Wanamaker] suit in view of the prior adjudication by the Sixth Circuit Court of Appeals in said earlier suit, and to correct the error of the Court of Appeals for the Second Circuit in reversing the preliminary injunction ordered herein, and in taxing costs against petitioner.
>
> (3) To determine whether or not said prior judgment by the Sixth Circuit Court of Appeals entitles petitioner to a decision on the merits in this later suit in the Second Circuit, leaving only the matter of accounting to be hereinafter disposed of.
>
> (4) To determine whether an unsuccessful defendant in a suit in one circuit, in which his product has been adjudged unlawful, is to be permitted to relitigate the same issues on the same product by assuming the defense of a subsequent suit in another circuit against one of his customers."

The brief filed in this Court in support of said petition says:

> "This Court is not asked to review by *certiorari* the decision (R., 335) of the Court of Appeals for the Second Circuit in so far as it assumes to decide whether or not the American Model Builder product, as compared with petitioner's Meccano product, is unlawful on the ground of unfair competition and copyright infringement. This case has not yet gone to trial, and the affidavits and few exhibits produced on preliminary injunction motion do not constitute a record adequate fully to inform this court regarding that question. Furthermore, it is petitioner's contention that—with the judgment of the Sixth Circuit Court of Appeals properly before it by petitioner's motion—such question was not open to decision by the Court of Appeals for the Second Circuit; and it is now sought to have this Court so rule." (p. 21).
>
> "The failure of the Court of Appeals to give full force and effect herein to the prior judgment in the Ohio suit turns upon the sameness of issues in the two suits. That Court was apparently convinced as to the identity or privity of parties to the two suits, although it did not directly decide that point." (p. 31).

Under the writ of certiorari, this Court is believed to have before it for determination merely whether or not, and to what extent, the decisions in the Wagner Ohio Suit constitute an estoppel in the subsequently brought Wanamaker New York Suit.

The Wagner Ohio Suit (which this Court is asked to stay) has not been taken to the Supreme Court for review, and the decisions in that case cannot, we respectfully submit, be affected in any

way by any decision hereafter rendered in the certiorari proceedings before this Court in the Wanamaker New York Suit.

In so far as the Supreme Court is called upon to consider the decision in the Wagner Ohio Suit, such consideration will be solely for the purpose of *interpreting* said decision, *in order to apply* it to the situation presented in the Wanamaker New York Suit,—and not for the purpose of appellate review of said decision upon the merits. The affirmative rights of plaintiff, Meccano Limited, and the merits of the Wagner Ohio Suit, have been finally adjudicated, and are *not* before the Supreme Court for review.

On the subject of estoppel by judgment and *res adjudicata*, this Court has said as follows:—

Nesbit v. *Riverside Independent District*, *144 U. S., 610, 12 S. C. R. 746, 36 Law Ed. 562.*

> "Is this a case of estoppel by judgment? The law in respect to such estoppel was fully considered and determined by this court in the case of Cromwell *v.* County of Sac, 94 U. S. 351. It was there decided that when the second suit is upon the same cause of action, and between the same parties as the first, the judgment in the former is conclusive in the latter as to every question which was or might have been presented and determined in the first action; but when the second suit is upon a different cause of action, though between the same parties, the judgment in the former action operates as an estoppel only as to the point or question actually litigated and determined, and not as to other matters which might have been litigated and determined." (pp. 747, 748).

City of New Orleans v. *Citizens Bank*, *167 U. S. 371, 398; 17 S. C. R. 905; 42 Law Ed. 202, 211.*

"And the law of Louisiana is exactly in accord with the rulings of this Court, for, as said by the Supreme Court of Louisiana in Heroman *v.* Institute of Deaf and Dumb, 34 La. Ann. 814:

'No principle of the law is more inflexible than that which fixes the absolute conclusiveness of such a judgment upon the parties and their privies. Whether the reasons upon which it was based were sound or not, and even if no reasons at all were given, the judgment imports absolute verity and the parties are forever estopped from disputing its correctness. Cooley, Const. Lim., 47 *et seq.*, and authorities there cited.

"Matters once determined in a court of competent jurisdiction may never again be called in question by parties or privies against objection, though the judgment may have been erroneous and liable to, and certain of, reversal in a higher court." Bigelow, Estop. (3d Ed.) Outline, pp. lxi, 29, 57, 103." ' "

Hart Steel Co. v. *RR. Supply Co.*, *37 S. C. R. 506, 507; 244 U. S. 294; 61 Law Ed. 1148.*

"This doctrine of *res judicata* is not a mere matter of practice or procedure inherited from a more technical time than ours. It is a rule of fundamental and substantial justice, 'of public policy and of private peace', which should be cordially regarded and enforced by the courts to the end that rights once established by the final judgment of a court of competent jurisdiction shall be recognized by those who are bound by it in every way, wherever the judgment is entitled to respect. Kessler *v.* Eldred, *supra*".

Invoking the principle of law affirmed in such decisions, and upon the basis of the decisions in the Wagner Ohio Suit, Meccano Limited asserted its right to a preliminary injunction, and also to an interlocutory decree on the merits, in the later Wanamaker New York Suit. The Court of Appeals for the Second Circuit refused both. Judge Learned Hand, however, in his dissent (250 Fed. 453) to the decision reversing the preliminary injunction order, took the position that the judgment in the Wagner Ohio Suit should have been accepted and enforced "quite independently of how we [C. C. A. 2nd] might ourselves view the transactions out of which the Ohio decree proceeded", and "regardless of what relief we might have given the plaintiff under the stated facts".

In other words, the Ohio decree is conclusive "whether the reasons upon which it was based were sound or not"; it is not open to review, "even if no reasons at all were given"; and, even assuming that "the judgment may have been erroneous", it "imports absolute verity and the parties are forever estopped from disputing its correctness" (*City of New Orleans* v. *Citizens' Bank, supra*).

The Supreme Court has frequently granted its writs of certiorari to determine the conclusiveness, in a second suit, of a prior judgment in a first suit; for example—

Forsyth v. *City of Hammond, 17 S. C. R. 665; 166 U. S. 506; 41 Law Ed. 1095;*
Hart Steel Co. v. *RR. Supply Co., supra;*
Rock Spring Distilling Co. v. *W. A. Gaines & Co., 38 S. C. R. 327; 246 U. S. 312; 62 Law Ed. 738.*

That, we believe, will be as far as this Court will go, or have occasion to go, in the Wanamaker New York Suit. Should this Court agree with the decisions of the Court of Appeals, Second Circuit, refusing an interlocutory decree, on the ground of estoppel by judgment, and also overruling the preliminary injunction order, an affirmance would be in order, with directions remanding the case to the Courts below "for further proceedings", to wit: To proceed with the trial of the cause in the regular manner.

The reason given by the Court of Appeals for the Second Circuit for refusal of the interlocutory decree on the merits is that the issues in the two suits are deemed by that Court not "coextensive", the Wanamaker Suit being held to embrace toys other than American Model Builder procured by Wanamaker from Wagner. And, in refusing the preliminary injunction, said Court says:

> "To justify a preliminary injunction on the * * * grounds [unfair competition and copyright infringement] the case *ought to be very clear*. Wright Co. *v.* Herring-Curtiss Co. 180 Fed. 110, 103 C. C. A. 31. Upon the question of copyright infringement and unfair competition, *we think the case not clear*" (italics ours), (250 Fed. 452).

Assuming (without admitting) the aforesaid decisions in the Wanamaker New York Suit to be sound, they do not finally decide and dispose of the case; and Meccano Limited, the plaintiff, has not yet had its full day in Court in that New York Suit. There has been no trial and introduction of full proofs therein; no interlocutory decree and appeal therefrom; and no final decision by either the District Court or the Court of Appeals.

Therefore, there has not been submitted, for

review by the Supreme Court, in the certiorari proceedings in the Wanamaker New York Suit, any "crucial question on which all of these proceedings are based" (as asserted in the petition); and such "crucial question" could not arise upon the incomplete record (the preliminary-injunction record) before this Court in that suit. Nor is it believed to be possible that this Court, in deciding said Wanamaker certiorari-proceedings, will, as predicted in the petition, announce a "decisive determination of the rule of law which shall govern this case", the Wagner Ohio Suit.

This Court has been asked to intervene in the Wanamaker New York Suit upon the ground that the judgment in the Ohio Suit (right or wrong) is controlling and conclusive in the New York Suit, and this Court will "confine its discussion" and consideration "to the matters *relied upon in asking the intervention* of this Court" (*Alice State Bank* v. *Houston Pasture Co.*, *38 S. C. R. 496; 247 U. S. 240; 62 Law Ed. 1096*).

This Court will not pass upon the merits of the questions of unfair competition and copyright-infringement for the further reason that the Court of Appeals for the Second Circuit has, by statute (Sec. 128, Judicial Code), final jurisdiction over those matters; and that Court has not yet finally adjudicated such matters, but has only decided that the same have not been sufficiently established by the showing in support of preliminary injunction motion. The scope of this Court's review of the Wanamaker New York Suit is therefore ruled by decisions of this Court such as the following:—

Marconi v. *Simon*, 38 S. C. R. 275; 246 U. S. 46; 62 Law Ed. 568.

"It follows, therefore, that to finally decide the case would require us to determine whether or not the apparatus as furnished was a direct infringement or mere contribution. But to do this would call for the exercise on our part of a duty which it was the province of the court below to perform, * * * We do not, however, stop to dispose of them, since we are of opinion that, under the state of the record, we ought not to do so, but should leave them also to be considered for what they are worth, by the court below".

Brown v. *Fletcher*, 237 U. S. 583; 35 S. C. R. 750; 59 L. Ed. 1128.

"While it is clear, the question of jurisdiction being thus determined, that we have power to consider and dispose of the merits, we think it is equally clear that we ought not to exert the authority (a), because to do so would be out of harmony with the provisions of the Judicial Code, giving a right to direct review on questions of jurisdiction; and (b), because it would be in a broad sense incompatible with the provisions giving finality to the judgments and decrees of the Circuit Court of Appeals in cases, of which this is one, within the final competency of those courts. * * * We say the second, because as this case is one over which the action of the court below is made final by the statute, we are of opinion that its refusal to decide the case on the merits because of an erroneous conclusion as to want of power as a Federal Court to do so ought not, under the circumstances here disclosed, to be made the basis by which this court would perform a duty which the statute contemplates should be discharged by the court below".

Hubbard v. *Tod*, 19 S. C. R. 14; 171 U. S. 474; 43 Law Ed. 246.

"This case belongs to the class of cases in which the decree of the Circuit Court of Appeals is made final by the statute, * * * having been brought up by *certiorari* * * * we shall confine our consideration of the case to the examination of errors assigned by petitioner."

We refer also to cases such as the following:—

Leeds & Catlin Co. v. *Victor Co.*, 29 S. C. R. 495; 213 U. S. 301; 53 Law Ed. 805.

"Upon the bill and certain supporting affidavits, an order to show cause against a preliminary injunction was issued, which, coming on to be heard upon such affidavits, and other affidavits and exhibits, a preliminary injunction was granted. * * It was affirmed by the court of appeals" (p. 497).

"This case is here on certiorari to an interlocutory decree of injunction" (p. 496).

After referring to the voluminous affidavits, covering matters litigated in a prior suit, this Court said:—

"Upon this body of proof, formidable even in its quantity, and having no other elucidation than the arguments of counsel and some mechanical exhibits, presenting grave questions of fact, we are asked by petitioner to go beyond the action of the lower courts, and not only reverse them as to a preliminary injunction, but decide the case. If we should yield to this invocation and attempt a final decision, it would be difficult to say whether it would be more unjust to petitioner or to respondent" (p. 497).

"we may pass the defenses of anticipation, whether complete or partial, and the defense of infringement. These are, we have already said, questions of fact which we are not in-

> clined to pass upon unaided by the judgments of the lower courts, made after a hearing on the merits" (p. 499).

This Court, confining its review of the case to the question of law, as to the legal effect upon the term of a U. S. patent of the expiration of a prior foreign patent, agreed on that point with the court below, and finding "no abuse of discretion in granting the preliminary injunction", confined its action to an affirmance of the interlocutory decision below, leaving the case for further disposition by trial, final hearing, etc.

For similar reasons, and under similar circumstances, this Court will not, in the Wanamaker case (the predictions of the petitioners to the contrary notwithstanding), "go beyond the action of the lower courts" (Second Circuit) on the merits of the questions of unfair competition and copyright-infringement.

Eagle Glass & Mfg. Co. v. Rowe et al., 38 Sup. Ct. 80; 245 U. S. 275; 62 L. Ed. 286.

> "A decree granting a temporary injunction was reversed by the court of appeals for the fourth circuit * * * writ of certiorari granted." (p. 81).
>
> "So far as the decision of the circuit court of appeals dissolved the temporary injunction * * * we see no reason to disturb the decision.
>
> But the Court went further, and directed a dismissal of the bill. Since the cause had not gone to final hearing in the district court, the bill could not properly be dismissed upon appeal unless it appeared that the court was in possession of the materials necessary to enable it to do full and complete justice between the parties. Where, by consent of parties, the case has been submitted for a final determination of the merits, or upon the face of the bill

there is no ground for equitable relief, the appellate court may finally dispose of the merits upon an appeal from an interlocutory order."

* * * * * * *

"But in this case the application for a temporary injunction was submitted upon affidavits taken ex parte, without opportunity for cross-examination, and without any consent that the court proceed to final determination of the merits. Hence there was no basis for such a determination on appeal unless it appeared upon the face of the bill that there was no ground for equitable relief." (p. 83).

"Plaintiff is entitled to an opportunity, on final hearing, to prove these allegations as against those defendants who are within the jurisdiction of the court, and to connect them with the activities of Gillooly." (p. 84).

While affirming the decree of the Court of Appeals so far as it dissolved the preliminary injunction, this Court thus found that the dismissal of the bill, before the cause had gone to final hearing in the District Court, was premature. Hence the decree was reversed in so far as it directed dismissal of the bill and the cause "remanded to the district court for further proceedings in conformity to this opinion."

With no dismissal or final decision before this Court in the Wanamaker New York Suit, the reasons for not reviewing questions of the merits are stronger therein than in the Eagle-Rowe case last cited.

The situation before this Court in the Wanamaker New York case, and the authorities hereinbefore cited to show that this Court will not extend its review of that case to the merits of the questions of unfair competition and copyright in-

fringement (not yet finally decided by the courts below), readily differentiate from authorities relied upon by petitioners before the respondent district court.

For example, they cited Panama *v.* Napier, 17 S. C. R. 572; 166 U. S. 280; 41 Law Ed. 1004, in which there had been a *final decree* (finding $38,861.86 damages). On writ of certiorari this Court reviewed the "whole case" and reversed the decree. In Hamilton Brown Shoe Co. *v.* Wolf Bros., 36 S. C. R. 269; 240 U. S. 251; 60 Law Ed. 629, the writ of certiorari followed a *final decree* by the C. C. A. 8th, and this Court felt called upon "to notice and rectify any error that may have accrued in the interlocutory proceedings." In other words, in all of such cases there had been an element of finality in the decision of the Court of Appeals; an exercise by such courts of their statutory final jurisdiction covering all matters reviewed by this Court.

Summarizing: The Wagner Ohio Suit (in which stay is asked) is not before the Supreme Court for decision. The questions of law for review and decision by the Supreme Court in the certiorari-proceedings in the Wanamaker New York Suit relate only to the conclusiveness to be given the prior judgments in the Ohio Suit. Said Wanamaker case is before the Supreme Court only on an incomplete record (a preliminary injunction motion record of affidavits, etc.) inadequate to a decision on the merits of the questions of unfair competition and copyright infringement. There has been no trial and final decision on the merits of said questions. Final jurisdiction in said Wanamaker cause is given by statute to the Court of Appeals, Second Circuit, and has not yet been exercised

The Supreme Court will not, in effect, appropriate to itself such jurisdiction by a final decision on the merits in advance of final decision thereon by said Court of Appeals.

Mandamus Not the Appropriate Remedy.

Except for inaccurate statement in the petition it is believed the rule would not have issued. We refer particularly to the following (p. 14 of petition)—

> "Wherefore * * * the said Courts [meaning the two respondent courts] *having failed and refused to withhold and stay their further action and judgment* * * * your petitioners respectfully pray" etc.

There is no justification for that statement insofar as it concerns respondent court of appeals.

Following the decision of the respondent court of appeals in the Wagner Ohio Suit, and that court's denial of the first petition for rehearing therein (246 F. R. 603, 610), the mandate of said court issued on Jan. 23, 1918, and restored jurisdiction of the cause to the respondent district court.

Thereafter, about Feb. 14, 1918, the defendants-appellants (petitioners in the present proceedings) instituted certain mandamus proceedings (Petition pp. 7-9), pending disposition of which, said court of appeals, by order of Feb. 14, 1918, suspended other proceedings. Said mandamus matter was eventually set for hearing on Oct. 11, 1918. Two days prior thereto, to wit, on Oct. 9, 1918, the defendants-appellees (petitioners here) moved respondent court of appeals to "continue the hearing" of said mandamus-mat-

ter "until after the Supreme Court of the United States shall have *passed upon* Meccano Limited's petition for the *grant* of writ of certiorari in the Wanamaker New York Suit. Other proceedings were still under suspension by said court of appeals' order of Feb. 14, 1918. Said court denied said motion to "continue the hearing" (Petition, Par. 10). But such action was in no sense a refusal by the respondent court of appeals to stay proceedings in said Wagner Ohio Suit pending the Supreme Court's decision on the subject-matter after it had *granted* its writ of certiorari in said Wanamaker New York Suit.

Following this court's granting of said writ of certiorari, on or about Oct. 28, 1918, defendants-appellees in said Wagner Ohio Suit moved before the respondent court of appeals, inter partes in the Wagner Ohio Suit No. 2977, to stay proceeding therein, pending decision by the Supreme Court of the certiorari-proceedings in said Wanamaker case. But said respondent court of appeals on Nov. 14, 1918, decided (ordered) that said motion "presented a question which at this stage of the case No. 2977 (Meccano Limited, Plaintiff *vs.* F. A. Wagner et al defendant) must be determined by the court below" (Petition, Par. 11).

That is to say, respondent court of appeals had before it at that time only the mandamus matter (Re Petition of F. A. Wagner, etc., No. 3151). Jurisdiction and conduct of proceedings in said main case (Meccano Ltd. *v.* Wagner et al, No. 2977) had been restored to the district court, with which court therefore primarily rested the decision of any motion for stay of said proceedings. The respondent court of appeals, without passing upon the merits of the motion, or otherwise refusing a stay, ruled (by its said order of Nov.

14, 1918) that the question was one for determination of the lower court.

Yet the petition incorrectly refers to such ruling as a "failure and refusal" to withhold and stay further action and judgment.

Therefore, the respondent court of appeals has not, at any time since this Court granted (on Oct. 28, 1918) its writ of certiorari in the Wanamaker New York Suit, overruled or denied a motion or request by petitioners, or any of them, for stay of proceedings; and, more particularly, has not overruled any motion for stay until this Court shall render its decision in the certiorari-proceedings in Meccano Limited *v.* John Wanamaker, New York, Oct. Term, 1918, No. 614.

The petition being obviously erroneous in its vital representation, this cause should be forthwith dismissed for that reason alone.

> "We should have denied the petition therefor if the facts essential to an adequate appreciation of the situation had then been brought to our attention. * * United States *v.* Rimer, 220 U. S. 547; 55 L. Ed. 578; 31 Sup. Ct. Rep. 596:" (p. 141). "We were not advised by petition of June 15th, 1915, or memorandum opposing it, that the final decree in the limitation proceedings was based upon an express compromise agreement; otherwise the writ would not have been allowed * * we think it was incumbent upon counsel for both sides to see that the petition and reply thereto disclosed the real situation."
>
> *Furness, Withy & Co.* v. *Yang-tsze Insurance Assn.* 37 *S. C. R.* 141; 242 *U. S.* 430; 61 *Law Ed.* 409.

Petitioners had other adequate remedy of which they failed to avail themselves. Section 129 of the Judicial Code* authorizes an appeal from an interlocutory order refusing "an injunction". Respondent district court's order of Dec. 17th, 1918 (Petition, Par. 12) refused a stay (an "injunction") of proceedings, and was therefore appealable to respondent court of appeals, just as orders by which courts have frequently enjoined or "stayed" a patentee-plaintiff from prosecuting other suits, in other courts, have been appealed from, and sometimes affirmed and frequently reversed. See, for example:

Kessler *v.* Eldred, 206 U. S. 285; 51 Law Ed. 1065;

Kryptok *vs.* Stead Lens Co., 190 Fed. 767 (8th C. C. A.);

Stebler *v.* Riverside, 211 Fed. 985; affirmed 214 Fed. 550 (9th C. C. A.).

The interlocutory order in each of those cases, and in numerous prior decisions there cited, was in effect a "stay of proceedings" (in some other suit or suits).

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* "Sec. 129. Where upon a hearing in equity in a district court, or by a judge thereof in vacation, an injunction shall be granted, continued, refused, or dissolved by an interlocutory order or decree, or an application to dissolve an injunction shall be refused, or an interlocutory order or decree shall be made appointing a receiver, an appeal may be taken from such interlocutory order or decree granting, continuing, refusing, dissolving, or refusing to dissolve, an injunction, or appointing a receiver, to the circuit court of appeals, notwithstanding an appeal in such case might, upon final decree under the statutes regulating the same, be taken directly to the Supreme Court: *Provided*, That the appeal must be taken within thirty days from the entry of such order or decree, and it shall take precedence in the appellate court; and the proceedings in other respects in the court below shall not be stayed unless otherwise ordered by that court, or the appellate court, or a judge thereof, during the pendency of such appeal: *Provided, however*, That the court below may, in its discretion, require as a condition of the appeal an additional bond".

Petitioners took no appeal from respondent district court's refusal to enjoin (stay) proceedings, and hence failed to avail themselves of the adequate remedy provided by the appeal statute (§ 129).

But assuming that petitioners had no such right of appeal, and that mandamus be the proper remedy to review the district court's refusal of "stay", then such mandamus should have been sought in the first instance from the respondent court of appeals.

In other words, if mandamus by this Court be proper in a situation in which *both* respondent courts had refused a stay, then mandamus by the court of appeals would have been the proper remedy where (as is the actual situation) only the district court has refused a stay.

That mandamus is not appropriate where other remedy was available, see for example:

Kendall *v.* U. S., 12 Pet. (37 U. S.) 524; 9 Law Ed. 1181.

Kendall *v.* Stokes, 3 How. (44 U. S.) 87, 100; 11 Law Ed. 506, 513.

Reeside *v.* Walker, 11 How. (52 U. S.) 272, 291; 13 Law Ed. 693, 701.

Ex Parte Cutting, 94 U. S. 14, 20; 24 Law Ed. 49, 51.

Bayard *vs.* U. S. ex rel White, 127 U. S. 246; 32 Law Ed. 116, 118.

Re Washn. & G. R. R. Co. 140 U. S. 91; 11 S. C. R. 673; 35 Law Ed. 339.

Virginia *v.* Rives, 100 U. S. 313, 25 Law Ed. 667.

The refusal of stay was a matter of discretion not controllable by mandamus.

2 CYC 892. "A motion for a stay of proceedings is, however, addressed to the discre-

> tion of the court, (Note 92) and, in the case of an application to the trial court, mandamus will not lie to control its discretion in the matter." (citing cases.)

Said Note 92 cites among other cases:

> In re Haberman, 147 U. S. 525; 13 S. C. R. 527; 37 Law Ed. 266.

In said *Haberman case*, the trial court had sustained plaintiff's patent as valid and infringed, and granted injunction (and accounting), and the defendant thereupon appealed to the Second C. C. A. giving bond; and thereafter the defendant moved the lower court to "stay" the injunction, offering additional bond. The lower court refused to grant the stay. The defendant then petitioned this Court (Supreme Court) for a writ of mandamus, which was *refused*, on the ground that the granting or refusal of the stay was a matter of "discretion," which could not be controlled by mandamus, this Court saying (147 U. S. 526):

> "As it stands, the circuit court had a discretion to grant or refuse a supersedeas; and its discretion, as we have uniformly held (Ex parte Hawkins, 13 Sup. Ct. Rep. 512 and cases there cited) cannot be controlled by a writ of mandamus."

In the case of *Ex parte Cutting, supra*, this Court held that where the court has jurisdiction to exercise its discretion, an appellate court cannot control by mandamus matters within the sound discretion of a lower court.

Furthermore, that mandamus cannot correct judicial errors, committed by an inferior court in the progress of a cause. See *In Re Newman, 14 Wall. 152.*

> "A writ of mandamus [from a circuit court] is not the appropriate remedy for any orders which may be made in a cause by a judge in the exercise of his authority; although they may seem to bear harshly or oppressively upon the party."
>
> *Re Whitney, 13 Pet. 404.*

The Supreme Court will not direct the manner in which the lower court's discretion shall be exercised. See *Life & Fire Ins. Co.* v. *Adams, 9 Pet. 573.*

INVALIDITY OF HORNBY PATENT ON THE PLATES.
SINGER VS. JUNE, 163 U. S. 169.

In addition to the other considerations repugnant to a stay, there can be no object in granting such stay unless there exists reasonable prospect that this Court, in disposing of the certiorari-proceedings in the Wanamaker New York Case, will not only decide the immediate questions directly presented by the petition for certiorari, but also the *merits* of the questions of unfair competition and copyright-infringement as presented in both cases, and in addition will *also* in effect *reverse* the decisions of respondents in the Wagner Ohio Suit. The implied prediction of the petition, that this Court will so decide those questions, is based solely upon the contention that—

> "In view of * * * invalidity [so adjudged by the C. C. A. 6th] of Meccano's Hornby patent [on the plates] * * * the decision of this Court in Singer Mfg. Co. *v.* June, *supra,* was conclusive, a position the Court of Appeals for the Second Circuit substantially took in its decision on said appeal." (Petition, p. 13.)

Firstly, petitioners appear to be laboring under a wholly erroneous impression as to what the decision was in the Singer *vs.* June case, overlooking the fact that this Court *reversed* the lower court and *granted* injunction and an accounting against June, saying that the defendant's use of the subject-matter of the Singer Co.'s patent which had expired by term-limitation could only be in such a manner "as not to deprive others of their rights or to deceive the public." Quoting from Pouillet, Brevets d'Invention, the decision (by Mr. Justice White) says (italics ours):

> "The expiration of a patent has for its natural effect to permit everyone to make and sell the object patented; and it has also for effect to authorize everyone to sell it by the designation given it by the inventor, but *upon the condition in every case not*, in so doing, *to carry* on *unfair competition* in business against him."
>
> (Singer Mfg. Co. *vs.* June Mfg. Co., 163 U. S. 169, 197; 41 Law. Ed. 118, 129.)

Secondly, petitioners' contention is predicated upon the false premise that their use of the "*plates*" (the *only* features of patentable novelty which the Hornby patent describes) and their illustrations of said *plates* in their books of instruction, constitute the sum and substance of the unfair competition and copyright-infringment of which they have been adjudged guilty in the Wagner Ohio Suit. But, as shown by the decision of respondent District Court (234 Fed. Rep. 912), and affirmed by respondent Court of Appeals, petioners' unfair competition comprehends far more than the mere "plates", *e. g.*: duplication of the many separate parts grouped together in the Mec-

cano product; duplication of Meccano individual outfits and series of outfits; adoption and use of the Meccano standard of distance between holes in the various parts, whereby American Model Builder parts are interchangeable with Meccano parts; copying and simulation of Meccano books of instruction, both in contents and in appearance; proven instances of deception and confusion and palming off; and use of the business-system of Meccano Limited, and invasion of its property-rights therein,—in a wholesale way appropriating the business and good-will established by Meccano Limited. Similarly, petitioner's copyright-infringement comprehends copying and counterfeiting the copyrighted books of Meccano Limited.

Many other facts and considerations refute petitioner's contention based upon the invalid Hornby patent and the Singer case; for example:

(*a*) The charge of unfair competition is the main cause of action, and, as just shown, comprehends acts of petitioners far beyond their mere use of the *plates* and their use of illustrations of said *plates*. The charges of copyright-infringement and patent-infringement are subsidiary, in that order. Petitioners, however, misrepresent (for example, p. 5 of Petition) the charge of infringement of "the patent to Hornby No. 1,079,245, November 18, 1913, for toys" (the title in the patent is "perforated *plates*") as the first and *main* cause of action; secondly, the "alleged unfair competition for manufacturing and selling said toys"; and lastly, copyright infringement "by publishing and selling certain trade catalogues or manuals illustrating said toys".

(*b*) The Meccano product without said "plates" —which were added (in 1911) to the approximate-

ly fifty metal and other parts theretofore comprised by the product—had been marketed long prior to the advent of the plates. Therefore upon no theory could the invalidating of the patent on said *plates* afford immunity to petitioner's unfair competition and copyright infringement with respect to things *other than* the plates.

(*c*) The Meccano product, *including* the "plates", had been marketed *for over two years* (beginning about July, 1911) *before* the Hornby patent on the plates was granted on November 18, 1913.

(*d*) Petitioners counterfeited the Meccano product *in its entirety*, including the plates, and had been marketing their counterfeit *for over a year* before the Hornby patent came into existence. Upon their theory that immunity to the charge of unfair competition and copyright-infringement begins at the date of *expiration* of a patent, and that invalidation of the Hornby patent by the Court of Appeals decision of November 16, 1917, was equivalent to its expiration by term-limitation, then petitioners were *guilty* up to November 16, 1917, but guiltless and immune *thereafter*. The mere statement of that proposition shows its untenability. The fact is, petitioners deliberately committed their unlawful acts without regard to the patent, and the invalidation of the latter affords immunity only to the charge of patent-infringement. Unfair competition and patent-infringement are based upon separate and distinct causes of action, as shown by the Singer decision of this Court. "Patent infringement is the violation of the exclusive monopoly created by statute, while no element of monopoly is involved in unfair competition" (Unit Const. Co. *v.* Huskey, 241 F. R. 129).

(*e*) Prior to the existence of the Hornby patent, Meccano Limited had instituted suit in New York against petitioners (excepting the later formed Wagner corporation) on the same charges of unfair competition and copyright infringement; and, subjoined in the subsequently instituted Wagner Ohio Suit, the charge of patent-infringement as an incidental appendage, supplemental to main charges originally made.

Contrary to the statement in the petition, we do not find that the Court of Appeals for the Second Circuit "substantially took" the position contended for by petitioners with respect to invalidation of the patent and Singer *vs.* June. Said Court (C. C. A. Second) stated a "question", but *without deciding it*, saying (250 Fed. 452): "It is a *question* whether it [Meccano Limited] is entitled within the decision of the Supreme Court in Singer *v.* June * * * to more protection than that outfits made by others should be advertised and sold as the products of the makers under names and in packages which do not simulate the complainant's". Nowhere else in their decisions does that Court refer to Singer *vs.* June; and all that it has thus far *decided* is that (1) the proofs by the affidavits are not sufficiently clear to entitle Meccano Limited to a preliminary injunction; and (2) Meccano Limited is not entitled to an interlocutory decree upon the basis of estoppel by the Ohio judgment. What said Court of Appeals *would* decide at final hearing, after trial and full proofs, can not be assumed.

The respondent courts of the Sixth Circuit, on the other hand, have repeatedly considered peti-

tioners' aforesaid contention, with the advantage of trial and full proofs, and have found no reason to alter the views expressed by the respondent court of appeals in denying petitioners' first petition for rehearing in said Wagner Ohio Suit, to wit:

> "On Rehearing for Certain Instructions.
>
> "Appellants' 'rehearing petition' for 'instructions regarding the extent of the reversal of the lower court' is denied; no instructions are necessary, since the opinion approves the conclusions reached below upon the issues joined, except the one in relation to the patent in suit, and the patent in suit describes the two perforated plates as its only features of patentable novelty. Hence no perceivable difficulty can arise from the adjudged invalidity of the patent; in principle the situation here does not differ from the one involved in Samson Cordage Works *v.* Puritan Cordage Mills, 211 Fed. 603, 605, 608, et seq., 128 C. C. A. 203, L. R. A. 1915F, 1107 (C. C. A. 6), where the trade-mark claimed was held invalid while the charge of unfair competition was sustained. See, also, Saalfield Pub. Co. *v.* G. & C. Merriam Co., 238 Fed. 1, 10, 151 C. C. A. 77 (C. C. A. 6)." (246 Fed. 610)

In said case of *Sampson Cordage Works* v. *Puritan Cordage Mills, supra*, a registered trade-mark "alleged to consist in a series of spots arranged spirally about the circumference of the cord, each shaped in the form of a lozenge" was held to be invalid as not susceptible of monopoly as a trade mark. The court then proceeded to find that defendants use of similar marking constituted unfair competition, remarking in part:

> "The existence of a valid trade-mark is not essential to a right of action for unfair com-

petition * * *. An important respect in which the action for infringement of trade-mark differs from that for unfair competition is that in the former the wrongful intent is presumed from the fact of infringement, while in the latter the recovery can be had only on proof of wrongful intent in fact, although an inference of such intent may be justified 'from the inevitable consequences of the act complained of.' Elgin Watch Co. Case, supra, 179 U. S. at page 674, 21 Sup. Ct. at page 270, 45 L. Ed. 365. * * * There is no inconsistency between the two actions" (p. 608).

In the above-cited *Saalfield Merriam Case*, in which reference is made to the Singer case (238 Fed. Rep. bottom p. 10), the decision of the respondent court of appeals is to the effect that expiration of a registered copyright does not exclude the application of the equitable principles of "unfair competition" against another's *unfair* use of the subject-matter of the expired copyright, or afford immunity to acts constituting unfair competition.

In the case of *President Suspender Co.* v. *MacWilliam* (238 Fed. Rep. 159), the Court of Appeals for the Second Circuit held that where the use of a trade-mark on a patented article had antedated the patent, the right to use such trade-mark does not pass to the public on the expiration of the patent.

Likewise the rights of Meccano Limited, against unfair competition and copyright-infringement, cannot be terminated by the adjudged invalidity of the Meccano Horny patent on the plates.

The independence of causes of action, based on the one hand on a charge of unfair competition, and on the other hand on a charge of trade-mark infringement (or copyright-infringement, or pat-

ent-infringement), has been recognized and applied in numerous authoritative cases which it is unnecessary to cite at length. We mention for example *Grier Bros. Co.* v. *Baldwin, et al.*, (219 Fed. Rep. 735), in which the Court of Appeals for the Third Circuit, while holding a patent invalid as to its claim in suit, and reversing the court below on the charge of a patent-infringement, *at the same time affirmed* the decision below in *sustaining* a charge of "unfair competition" for unlawful imitation of the miner's lamp to which the patent applied.

In its recent decision in *International News Service* vs. *The Associated Press* (Dec. 23, 1918, 39 S. C. R. 68), this Court said:

> "No doubt news articles often possess a literary quality, and are the subject of literary property at the common law; nor do we question that such an article, as a literary production, is the subject of copyright by the terms of the Act as it now stands."
>
> "The parties are competitors in this field: and, on fundamental principles, applicable here as elsewhere, when the rights or privileges of the one are liable to conflict with those of the other, each party is under a duty so to conduct its own business as not unnecessarily or unfairly to injure that of the other."
>
> "We need spend no time, however, upon the general question of property in news matter at common law, or the application of the copyright act, since it seems to us the case must turn upon the question of unfair competition in business. And, in our opinion, this does not depend upon any general right of property * * * nor is it foreclosed by showing that the benefits of the copyright act have been waived."
>
> "Obviously, the question of what is unfair

competition in business must be determined with particular reference to the character and circumstances of the business. The question here is not so much the rights of either party as against the public, but their rights as between themselves. See Morison *v.* Moat, 9 Hare 241, 258. And although we may and do assume that neither party has any remaining property interest as against the public in uncoprighted news matter after the moment of its first publication, it by no means follows that there is no remaining property interest in it as between themselves."

"Stripped of all disguises, the process amounts to an unauthorized interference with the normal operation of complainant's legitimate business precisely at the point where the profit is to be reaped; in order to divert a material portion of the profit from those who have earned it to those who have not; with special advantage to defendant in the competition because of the fact that it is not burdened with any part of the expense of gathering the news. The transaction speaks for itself, and a court of equity ought not to hesitate long in characterizing it as unfair competition in business."

"It is said that the elements of unfair competition are lacking because there is no attempt by defendant to palm off its goods as those of the complainant, characteristic of the most familiar, if not the most typical, cases of unfair competition. Howe Scale Co. *v.* Wyckoff, Seamans, &c., 198 U. S. 118, 140. But we cannot concede that the right to equitable relief is confined to that class of cases. In the present case the fraud upon complainant's rights is more direct and obvious."

In said News Service case, this Court not only again gives its affirmance to the proposition that

unfair competition may exist in a competitor's use of property and of property-rights, belonging to another, regardless of whether or not the same are protected by a copyright (or patent), but also affirms the still broader principle that *regardless of any question of palming off*, competitors in the same field must each "so conduct its own business as not unnecessarily or unfairly to injure that of the other." This last stated principle is also directly applicable to the conduct of the present petitioners, particularly to that phase of their unfair acts referred to in the decision of the Ohio District Court (234 Fed. 920, affirmed by C. C. A. Sixth, 246 Fed. 603), as follows:

> "Unfair competition exists also in that the complainant has established a business system which is peculiarly its own. This was done at the expense of time, thought, labor, and much money. If it be assumed that this court is in error with respect to the finding of palming off of defendants' goods for the complainant's, establishing thereby unfair competition, yet the defendants use complainant's business and the system it has established. In these it has acquired a property right of which its competitor cannot deprive it by introducing his goods into, and as a part of, complainant's business and business system. In this respect, the case strongly resembles Presto-O-Lite Co. *v.* Davis (D.C.) 209 Fed. 917, affirmed by the Circuit Court of Appeals of this circuit, 215 Fed. 349, 131 C. C. A. 491.
>
> "If it be assumed that defendant could establish a business system of his own and enter into competition with the complainant's similar system, it seems to me quite clear that the defendant's system could not be so used as to appropriate the business and good will

established by the complainant. It cannot be that the defendant can build up his own business by taking away complainant's business through the very method established by complainant for carrying it on. The American Model Builder is not only a fraud on the public, but also a fraud on the complainant."

Conclusions.

The petition for writ of mandamus should be refused and the rule discharged.

Respectfully submitted,

REEVE LEWIS,
C. A. L. MASSIE,
RALPH L. SCOTT,
Of Counsel for Meccano Limited
and, by request, for Respondents.

New York City,

February 28, 1919.

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SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1918.

No. 29, Original.

IN THE MATTER OF THE APPLICATION OF F. A. WAGNER ET AL., FOR WRIT OF MANDAMUS AGAINST THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT AND THE JUDGES THEREOF, AND THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF OHIO, WESTERN DIVISION, AND THE JUDGE THEREOF.

RETURN OF RESPONDENT COURT OF APPEALS

and

RETURN OF RESPONDENT DISTRICT COURT.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1918.

No. 29, Original.

IN THE MATTER OF THE APPLICATION OF F. A. WAGNER ET AL., FOR WRIT OF MANDAMUS AGAINST THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT AND THE JUDGES THEREOF, AND THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF OHIO AND THE JUDGE THEREOF.

RETURN OF RESPONDENT COURT OF APPEALS

To the Supreme Court of the United States:

In response to the rule to show cause, issued in the above-entitled matter, we, the Judges of the United States Circuit Court of Appeals for the Sixth Circuit, respectfully make return for ourselves and for such court, as follows:

I.

The allegations of paragraphs (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), and (11) of the petition in this cause (No. 29, Original), purporting to state proceedings had before us or which came before us for review, truly state such proceedings, so far as we are aware, save that in the par-

ticulars hereinafter mentioned the statements may be thought incomplete or not wholly accurate.

As to the matters alleged in paragraph (12) of the petition, we have no knowledge or information save as acquired therefrom.

The remainder of the petition is apparently an argumentative repetition or amplification of the facts already alleged, and seems to call for no additional response by way of return.

II.

While it is true, as alleged in paragraph (7) of the petition, that, in denying, on January 14, 1918, the petition for rehearing in the cause therein referred to (which was, in our court, cause No. 2977), we made no reference to the *Singer Case*, it should further be stated that such action was pursuant to our usual practice whereby formal or reasoned opinions are not filed in passing upon rehearing applications; and it should be further stated that the *Singer Case* had been already considered by us with reference to its applicability in No. 2977; and that our conclusion as to the existence of unfair competition and copyright infringement we thought sufficiently supported by facts and circumstances of a character not within the rule of the *Singer Case*.

III.

Just how far any of the provisions of the decree of the district court, as specified in paragraph (8) of the present petition for mandamus (which decree was entered after the remanding from our court of the cause that had been our No. 2977), were inconsistent with our decree, we have not thought necessary to consider. With reference thereto, we embodied our conclusions in two successive orders filed in the mandamus proceeding specified in paragraph (8) of the

present petition for mandamus (which proceeding was cause No. 3151 in our court). These orders so filed in cause No. 3151 were respectively as follows:

"Order entered October 18, 1918, *In re* Application of F. A. Wagner, No. 3151.

"It appearing that the decree entered in the court below on February 11, 1918, necessarily must have been and was an interlocutory decree,—in all respects except so far as it covered matters decided by this court,—and that the case was not appropriate for a split decree leading to successive appeals, and hence should not contain provisions of final effect nor award execution as to specified items; and that in other respects complained of the provisions against which the petition is directed did not exceed the jurisdiction of the district court, and will be subject to appeal when they become final (*Nashville Co. vs. Coca Cola* (C. C. A., 6), 215 Fed., 527, 534).

"Ordered, that the following matters be stricken from said decree:

"(*a*) From paragraph 7 thereof, the words 'and judgment may forthwith be entered against said defendants, and in favor of complainant, Meccano, Limited, for said five thousand ($5,000) dollars, and execution therefor is awarded';

"(*b*) From paragraph 8, the words 'which sum defendants are ordered to pay, and judgment may forthwith be entered against the defendant, Francis A. Wagner and the Strobel & Wilken Company, and in favor of said Lewis and Scott, for said three thousand ($3,000) dollars, and execution therefor is awarded';

"(*c*) From paragraph 8½, the entire thereof;

"(*d*) From paragraph 15, the words 'and the marshal is hereby directed to destroy the same within thirty days after obtaining custody thereof'.

"It is further ordered that the same eliminations be made from the 'order on mandates' made in the district court on February 11, 1918."

"Order entered November 14, 1918, *In re* Petition of F. A. Wagner, No. 3151.

"Ordered, upon application of the Meccano, Ltd., bearing date October 23, 1918, responded to on October 26 by the American Mechanical Toy Co., that the true intent and meaning of the order entered herein October 18th directing that there be stricken from the decree entered in the court below in F. A. Wagner, trading as the American Mechanical Toy Co., and Strobel & Wilken Co. *vs.* Meccano, Ltd., No. 2977, all matters of a final nature as in said order specified is that the decree entire be treated as one of an interlocutory character, so that the accounting and all steps looking to a final decree might be proceeded with in the ordinary and regular course of such cases.

"Ordered further, that the stay entered herein on February 14, 1918, is hereby annulled.

"Ordered further, that the motion filed in F. A. Wagner *et al. vs.* Meccano, Ltd., 'to stay all proceedings herein and to hold matters in *statu quo* pending the decision of the Supreme Court' in Meccano, Ltd., *vs.* Wanamaker, presents a question which, at this stage of case No. 2977, must be determined by the court below.

"Ordered further, that the mandate of this court shall include the matters herein passed upon."

IV.

With reference to the allegation in paragraph (10) of the present petition, it is true that we declined to delay the disposition of the mandamus proceeding in No. 3151 pending the *certiorari* application to Supreme Court in the so-called *Wanamaker Case;* but it should also be stated that there was no relation apparent to us between the pendency of the *Wanamaker certiorari* and the question whether the decree, entered in the District Court for the Southern District of Ohio, after remand of our case No. 2977, should be reformed so as to be wholly interlocutory until the time should arrive for it to be wholly final.

V.

With reference to the desired stay of proceedings in the district court until the Supreme Court decides the *Wanamaker certiorari*:—

Our refusal to stay proceedings, in the case so remanded to the district court or to direct the district judge to enter such stay, was rested upon the fact that we had no jurisdiction over the main case itself (No. 2977) or to make any order therein after it had been thus remanded by us to the district court, and was no longer pending in our court, and upon the fact that we could not rightly consider an application to direct the district judge to make such a stay order until he had been requested to and had refused. This conclusion is evidenced by the statement embodied in our order of November 14, 1918, as follows:

> "That the motion * * * to stay all proceedings herein * * * presents a question which, at this stage of the case, No. 2977, must be determined by the court below."

After we made this order and after the application was presented to the court below—assuming that it was so presented, as alleged in paragraph (12) of the petition—*no application has been made to us in any way to receive the action by the district judge thereon.*

While the foregoing grounds, thus stated, appeared to us sufficient to require a *refusal to stay proceedings as requested*, we ought to add that we entertained a view of the underlying merits of the motion to stay which very probably would have led us to the same result *if we had thought the merits to be open for our consideration*. As to such merits, it appeared to us:

(*a*) The decree entered in the district court upon our mandate, although final as to matters which had been heard and

decided by us upon the appeal, was, as to all other matters, still interlocutory and subject to a further appeal to our court. Section seven of the Circuit Court of Appeals Act (Judicial Code, sec. 129) contemplates that, where an appeal is taken from an interlocutory decree, further proceedings under the decree, like an accounting, shall not be stayed *pending the appeal*, unless such a stay is specially ordered. We therefore concluded that there should not be such a stay unless special and reasonably clear cause therefor appeared.

(*b*) From the record as presented to us, showing the application to the Supreme Court for *certiorari* in the *Wanamaker Case*, we inferred that the matter of such difference of opinion upon the ultimate merits as there may be between our court and the Circuit Court of Appeals of the Second Circuit, *was only remotely involved;* and that it was not probable that the Supreme Court, in its consideration of the *certiorari* case, would reach that matter. We inferred that the outstanding questions in the *Wanamaker Case*, and upon which it would most likely be decided by the Supreme Court, were, *first*, as to the effect of our decision in No. 2977, under the principles involved in *Kessler vs. Eldred*, and similar cases; and, *second*, as to the effect upon the *Wanamaker Case* of the fact that the action to be reviewed pertained only to a preliminary injunction, and involved the rule of *discretion*.

(*c*) If we were wrong in this inference, and if the Supreme Court, on the pending *certiorari*, should reach an opinion, on the merits of the alleged unfair competition and copyright infringement, inconsistent with the opinion which we had reached in No. 2977, the action of the district court could, at any time, be brought into harmony with the Supreme Court if the case should still be pending in the district court; or, if it had again been appealed to our court, we could dispose of the appeal so as to make the result consistent with the conclusion of the Supreme Court; and if necessary, when such appeal reached us, we could hold the same until a decision was made by the Supreme Court.

Nothing would, therefore, be lost by Wagner *et al.* save the expense of the accounting, while, if the proceedings were stayed, and it should turn out that it was unnecessary to revise or reverse our former opinion, the Meccano Company would suffer serious additional delay.

With these views as to the subject-matter really involved in the *Wanamaker certiorari* and as to the imminence of any serious injury, there seems slight merit in the application made to us to stay proceedings in the district court.

VI.

If it should appear to the Supreme Court that the balance of equities requires a stay of proceedings in the district court, as was requested by the *mandamus* petition and the motion filed with us, and that we have jurisdiction to make such an order, we are entirely ready to comply with any announcement of the Supreme Court to that effect, and the issue of any writ of *mandamus* will be unnecessary.

All of which is respectfully submitted.

Dated March 1, 1919.

J. W. WARRINGTON,
LOYAL E. KNAPPEN,
A. C. DENISON,
Judges of the United States Circuit Court of Appeals for the Sixth Circuit, for Themselves and for Such Court.

SUPREME COURT OF THE UNITED STATES,

October Term, 1918.

No. 29, Original.

IN THE MATTER OF THE APPLICATION OF F. A. WAGNER (TRADING AS THE AMERICAN MECHANICAL TOY COMPANY), THE STROBEL & WILKEN COMPANY, A CORPORATION, AND THE AMERICAN MECHANICAL TOY COMPANY, A CORPORATION, FOR A WRIT OF MANDAMUS AGAINST THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT AND THE JUDGES THEREOF, AND THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF OHIO, WESTERN DIVISION, AND THE JUDGE THEREOF.

RETURN OF RESPONDENT DISTRICT COURT.

To the Supreme Court of the United States:

This respondent, a judge of the District Court of the United States for the Southern District of Ohio, impleaded as a judge of that court for the Western Division of that District, making return, for himself and for that court, to the rule to show cause hereinbefore issued, and answering the allegations of the petition in mandamus on which the rule issued, respectfully shows:

I.

The allegation in paragraphs (1), (2), (3), (4), and (5) are true, excepting that part of the note to paragraph (2) which states the ownership of the property referred to. The question of ownership, being of mixed fact and law, would not seem to require an answer, and would seem to have no place in this proceeding.

II.

Respondent has no certain knowledge of the truth of the allegations of fact in paragraph (6), and cannot specifically admit or deny the same. As to other allegations in paragraph (6), argumentative or stating conclusions of law, he submits he is not required to answer.

III.

Respondent has no certain knowledge of the truth of the allegations in paragraph (7) relative to the action therein alleged of the Circuit Court of Appeals for the Sixth Circuit, and cannot admit or deny the same, but says that the allegation in paragraph (7), "and thereupon, in due course, said cause was remanded to the District Court for the Southern District of Ohio, Western Division, for the entry of a decree in conformity with the decision and mandate of said Court of Appeals," is true.

IV.

The allegations in *paragraph* (*8*) and its subdivisions, excepting the note thereto, and of the following paragraph, *also numbered* (*8*), and of paragraph (9), are substantially true. The statement in paragraph (1) of this return concerning the note to paragraph (2) is applicable also to this note.

V.

Respondent, not denying any material allegations in paragraph (9), says that on November 18, 1918, a mandate of the Circuit Court of Appeals, in case No. 3151, was filed in the district court, wherein it was recited, among other things:

> "It appearing that the decree entered in the court below on February 11, 1918, necessarily must have

been and was an interlocutory decree,—in all respects except so far as it covered matters decided by this court,—and that the case was not appropriate for a split decree leading to successive appeals, and hence should not contain provisions of final effect nor award execution as to specific items; and that in other respects complained of the provisions against which the petition is directed did not exceed the jurisdiction of the district court, and will be subject to appeal when they become final. Nashville Co. *vs.* Coca Cola (6 C. C. A.) 215 Fed., 527, 531.

"*Ordered*, that the following matters be stricken from said decree:

"(*a*) From paragraph 7 thereof the words: 'and judgment may forthwith be entered against said defendants, and in favor of complainant Meccano, Limited, for said five thousand dollars ($5,000), and execution therefor is awarded';

"(*b*) From paragraph 8 the words: 'which sum defendants are ordered to pay, and judgment may forthwith be entered against the defendant, Francis A. Wagner and The Strobel & Wilken Company, and in favor of said Lewis and Scott, for said three thousand dollars ($3,000), and execution therefor is awarded';

"(*c*) From paragraph 8½ the entire thereof;

"(*d*) From paragraph 15 the words: 'and the said marshal is hereby directed to destroy the same within thirty days after obtaining custody thereof.'

"It is further ordered that the same elimination be made from the 'order on mandates' made in the district court on February 11, 1918."

"Ordered, upon application of the Meccano Ltd. bearing date October 23, 1918, responded to on October 26th by the American Mechanical Toy Co., that the true intent and meaning of the order entered herein October 18th directing that there be stricken from the decree entered in the court below in F. A. Wagner, trading as the American Mechanical Toy Co., and Strobel & Wilken Co. *vs.* Meccano, Ltd., No. 2977, all matters of a final nature as in said order

specified is that the decree entire be treated as one of an interlocutory character, so that the accounting and all steps looking to a final decree might be proceeded with in the ordinary and regular course of such cases.

"Ordered, further, that the stay entered herein on February 14, 1918, is hereby annulled.

"Ordered, further, that the motion filed in F. A. Wagner *et al. vs.* Meccano, Ltd. 'to stay all proceedings herein and to hold matters in *statu quo* pending the decision of the Supreme Court' in Meccano, Ltd., *vs.* Wanamaker presents a question which at this stage of case No. 2977 must be determined by the court below.

"Ordered, further, that the mandate of this court shall include the matters herein passed upon."

The mandate was executed by this district court. The decree of February 11, 1918, was the decree entered on the mandate of the Circuit Court of Appeals directing the district court to enter a decree not inconsistent with the opinion of the Circuit Court of Appeals in 246 Fed., 603.

VI.

Respondent cannot admit or deny the allegations in paragraph (10), for he has no certain knowledge of the truth of the alleged proceedings in the Circuit Court of Appeals for the Sixth Circuit, set forth in that paragraph, excepting knowledge that that court did hear and determine the mandamus petition therein referred to (No. 3151 on the docket of that court).

VII.

Respondent has no certain knowledge of the truth of the allegations in paragraph (11), and cannot admit or deny the same, excepting that the quotation from the order of the Circuit Court of Appeals, alleged to be of November 14, 1918, of which date respondent has no knowledge, is found in the

mandate of the Circuit Court of Appeals to the district court, filed November 18, 1918, and set forth in paragraph V of this return.

VIII.

The allegations in paragraph (12) are substantially correct, excepting that the "entry" referred to was not made on December 17, 1918, but was made on *December 23, 1918*, and recited:

> "This cause having come on to be heard on defendants' motion for a stay of proceedings, filed November 22, 1918, and having been submitted on oral arguments and briefs, upon consideration thereof it is hereby ordered—
>
> "That said motion be, and the same hereby is, overruled."

IX.

The allegations following paragraph (12) seem to be elaborations of the preceding paragraphs, or are statements of immaterial facts, or are conclusions of law, or are argumentative, and not calling for answer. However, if this view is mistaken, respondent is ready to make such further answer as the Supreme Court may direct.

X.

Respondent says that on the hearing of the motion to stay there were before him the report of the decision of the Circuit Court of Appeals for the Second Circuit and the dissent thereto, in the case of Meccano, Ltd., *vs.* John Wanamaker, as found in 250 Fed., 450; and the report of the decision of the district court in the same case, 241 Fed., 133; and the statement of Wagner's counsel that a fire on one of the upper floors of a building in Dayton, in which Wagner's outfits, manuals, etc., and books were stored had greatly injured them or had destroyed some of them. Counsel were heard

at length, and the motion was overruled for several reasons:

(1.) It seemed to respondent that since the time had elapsed within which certiorari might be prosecuted to the decree of the Circuit Court of Appeals for the Sixth Circuit reversing the district court as to the Hornby patent and affirming it as to unfair competition and copyright infringement, that the rights of the parties were established (Kessler *vs.* Eldred, 206 U. S., 285).

(2.) That the merits in the case before the Circuit Court of Appeals for the Second Circuit seemed to involve the sole question of the effect of the decree of the Circuit Court of Appeals for the Sixth Circuit upon the case of Meccano, Ltd., *vs.* Wanamaker, under the circumstances disclosed in that case, Wanamaker being a seller of Wagner's outfits, manuals, etc., and being defendant in the litigation by Wagner. The case before the Circuit Court of Appeals for the Second Circuit was an appeal from an order granting a preliminary injunction. The record of that case on appeal was not before this district court.

(3.) It seemed clear that the case in the second circuit did not involve all of the facts upon which the district court and the Circuit Court of Appeals for the Sixth Circuit based their opinions, and the merits of the two cases could not be the same. There seemed, therefore, to be no real conflict between the views of the two circuit courts of appeal.

(4.) Upon the statement of counsel for Wagner that a fire had occurred on the floor of the building in which the Wagner outfits, manuals, etc., and books had been stored, resulting in their great injury, the district court, entertaining the views just stated, thought it the part of reasonable prudence that the marshal should forthwith get possession of the property and books, respectively, or as much or as many of them as might be found, as soon as possible. There seemed to be no reason why there should be further delay in the accounting.

No application for the allowance of an appeal from the

order of the district court refusing to stay proceedings has been made by Wagner *et al.*

If the district court's views are wrong, and the Supreme Court so intimates, the district court is ready to enter such order as may by the Supreme Court be thought proper, and the issuance of a writ of mandamus will not be necessary.

It should be added that this district court, in the case here of Meccano, Ltd., *vs.* F. A. Wagner *et al.*, counsel for both parties being present and not objecting, made the following order on January 17, 1919:

> "This cause coming on to be heard on the master's request for instructions in view of the petition of the defendants to the Supreme Court for a writ of mandamus it is this day ordered that the motion of the defendants for a stay of proceedings before said master be by him granted and said proceedings stayed until March 15, 1919, unless otherwise ordered by this court. It is further ordered that as a condition of granting said motion that the defendant F. A. Wagner forthwith deliver to the master all books of account, vouchers, documents and papers of every description in his possession or under his control relating to the manufacture or sale of American Model Builder product as embraced within the matters referred to said master for his determination, said books, etc., to be sealed pending said stay."

Respondent does not remember why the date of March 15, 1919, was fixed, and does not know whether defendant Wagner complied with the conditions of the order or could comply therewith.

Respectfully,

THE DISTRICT COURT OF THE UNITED STATES
FOR THE SOUTHERN DISTRICT OF OHIO,
By HOWARD C. HOLLISTER,
Who Signs for that Court and for Himself,
a Judge Thereof, Respondents.